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NEWS SUMMARY

GENERAL

Steel backs policy on NATO

Liberal leader David Steel last night urgently attempted to stop his party supporting a defence policy which would *mean the break-up of NATO*.

Party leaders fear delegates at the Liberal conference in Blackpool will today reject the *official policy of support* for NATO and instead back an integrated European defence force free of U.S. influence, a proposal which Mr. Steel called "pie in the sky."

He believes this would not only be unattractive to voters but—combined with the prospect of a vote for unilateral nuclear disarmament at next month's Labour conference—would undermine Britain's defences. Back Page; Conference, Page 8

Arabs unite

Syria and Libya announced full political, military and economic merger into a single state, and invited other Arab countries to join, to fight Zionism and liberate Palestine. Page 3

Peking changes

Chinese National People's Congress ended its session by approving the appointment of Zhao Ziyang as Premier and other sweeping government changes, but stressing continuity of policy.

Iran Cabinet

Iranian Majlis (Parliament) approved 14 men nominated to Premier Mohammad Ali Rajai's Cabinet. President Bani-Sadr did not approve the nominees to the other seven posts. Page 4

Cadbury back

Westward Television shareholders' meeting replaced Lord Harris of Greenwich and his allies as directors with Mr. Peter Cadbury and his. The Harris faction will still lead the fight to retain the franchise. Page 6

Strikes go on

Newspapers reported continuing strikes throughout Poland despite a warning by Communist Party leader Stanislaw Kania that they would harm workers' chances for better living conditions. Moscow talks, Page 2

Spain EEC delay

Spain's entry into the EEC may be delayed until 1985 because of continuing French doubts, but Portugal should join in 1983 as planned. Page 2

Ferry impounded

Olau Kent, a Sheerness-Flushing ferry, was impounded in Holland because of a dispute between its owner and a Dutch ship's chandler.

Typhoid cases

Health officials investigated two outbreaks of typhoid, one in Manchester, the other in St. Albans, Herts. Three people with the disease are recovering.

Magic Kristian

Seven-year-old Kristian Duke leapt 32 feet over five people on his 50cc motorbike near Swindon, Wilts. It was his personal best.

Briefly . . .

Australian trade unions agreed on industrial action against companies drilling for oil at Noonkanbah, a sacred aboriginal site.

British Caledonian Airways denied that cheap standby fares had meant passengers were stranded in Hong Kong. Page 7

Coventry City Football Club will cut ground entry price from £1.50 to 50p for the unemployed.

British Airways suspended London-Tehran flights for a week.

BUSINESS

Record high for gold mines

● GOLD rose 315.5 in London to close at $684.5, its best level since early February. Page 27

● GOLD MINES index advanced 7.4 more in a record 461.9, reflecting the gain in the bullion price.

● GILTS advanced a little with the Government Securities index gaining 0.05 to close at 71.09. Page 36

● EQUITIES slipped at the close on disappointment with P and O's first-half results. The FT 30-share index finished 2.1 down at 501.8, though the FT-Actuaries' All-share index added 0.7 per cent to a peak since compilation of 295.48. Page 36

● STERLING was steady on balance, closing just 25 points up at $2.4030. Its trade-weighted index was unchanged at 76.0. DOLLAR slipped to DM 1.7785 (DM 1.7795) in featureless trading. Its trade-weighted index was unchanged at 83.6. Page 27

● WALL STREET was up 4.52 to 939.25 near the close. Page 35

● FRENCH DRAFT BUDGET for 1981 combines limitation of public spending and overall deficit with tax incentives to invest. Back Page

● ITT said it might sell CGCT, its telecommunications subsidiary in France, if it is not given French Post Office orders for new telephone exchange equipment. Back Page

● EEC States are likely to adopt by the end of the year the new shipbuilding directive that could give Brussels power of approval over subsidies for loss-making yards and over schemes to produce more orders. Back Page

● COSTAIN Civil Engineering and Balfour Beatty have been awarded contracts worth £67m by the Transport Department for a further 12 miles of the proposed M25 orbital motorway around London. Page 7

● GERMAN TOBACCO empire heir Herr Jan Philipp Reemtsma has sold his 53 per cent holding in Reemtsma to Tchibo, one of West Germany's major coffee importers, and to Frau Ingeborg Herz, whose family has a substantial interest in Tchibo. No price was announced.

COMPANIES

● THOMAS TILLING, industrial holding company, reported first-half pre-tax profits up £1.3m at £30.1m. Page 23; Lex, Back Page

● BABCOCK International, the major engineering and contracting group, reported first-half pre-tax profits down from £15.48m to £6.1m on turnover of £407.86m against £389.36m. Page 20; Lex, Back Page

● P & O, shipping and oil trading company, reported first-half pre-tax profits down from £13.78m to £12.91m. Page 21; Lex, Back Page

● BSR, the record changer and consumer products group, reported losses of £3.44m for the first half, compared with pre-tax profits of £2.55m for the same period last year. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 13¼pc 04-08	£103¾	+ ¾
APV	212	+ 10
Automotive Prods.	71	+ 6
Babcock Intnl.	96	+ 6
Benlox	42	+ 9
Black & Edgington	42	+ 10
Cheung Kong	228	+ 10
Cornell Dresses	78	+ 16
Derby Cap.	237	+ 17
Electronic Rentals	119	+ 10
Hambros Bank	546	+ 13
Haslemere Estates	374	+ 8
Inchcape	483	+ 18
Jardine Securities	114	+ 21
Kleinwort Benson	216	+ 16
Kode Intnl.	326	+ 11
Leigh Interests	192	+ 8
Lloyds and Scottish	170	+ 7
Nurdin and Peacock	174	+ 7
Portals	400	+ 20
Prudential	247	+ 10
Sainsbury (J.)	512	+ 11
Sedgwick Forbes	120	+ 6
Smiths Industries	250	+ 15
Anglo-Amer. Gold	£49¾	+ 2¾
Blyvoor	916	+ 46
Gold Mn. Kalgoorlie	475	+ 25
Impala Platinum	424	+ 22
Malayan Tin Drdng.	112	+ 13
Minorco	455	+ 30

FALLS		
Treas. 11¾pc 1991 A (£50 pd.)	£48½	− ⅜
British Vita	132	− 8
Carpets Intnl.	20	− 3
Danish Bacon A	86	− 6
M'chester Sp. Canal	230	− 12
P and O Dfd.	122	− 14
Reckitt and Colman	190	− 8
Tilling (T.)	160	− 16
Youghal	6	− 2
Aran Energy	426	− 20

Economic strategy faces problems, Thatcher admits

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER last night admitted that the Government's economic strategy faced problems. Government borrowing was still too high and monetary growth to fast, she said.

But as Mr. James Callaghan, the Labour Party leader, demanded the recall of Parliament to debate the "catastrophe," the Prime Minister strongly reaffirmed her determination to stick to present policies.

"It is only by maintaining monetary discipline that the improvement in inflation will be sustained," she said.

"Getting inflation down is at the heart of our strategy. For if we fail there, we fail on every front."

Mrs. Thatcher, at a dinner in London to mark the first anniversary of Now! magazine, shortly after a meeting of the Cabinet's economic committee at Downing Street, confessed that the recent monetary figures had been disappointing.

Hidden lending had proved to be higher than expected with the removal of the "corset." "Even allowing for these distortions, monetary growth has been too fast. Government borrowing is still too high."

These factors were related and it was crucial to keep Government borrowing under control if progress in reducing inflation was to continue.

Mrs. Thatcher made no reference to the demand for the recall of Parliament delivered after a 90-minute meeting of Labour's Shadow Cabinet yesterday.

In a letter to Mrs. Thatcher, Mr. Callaghan said MPs should be brought back to Westminster on September 23—when the

Abbey National rival to Granny Bond. Page 6
Economic Viewpoint. Page 18
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next monthly unemployment figures are due to be published.

Mr. James Prior, Employment Secretary, should make a full statement to the Commons about the position and any new Government measures to supplement the "quite inadequate" retraining and employment aid programmes, he said.

Parliament could not be expected to wait until October 27 to discuss the "most dangerous unemployment situation the country has had to face since 1945."

Mrs. Thatcher, who called off a Cabinet meeting planned for today after yesterday's Ministerial discussion of the situation, seems unlikely to agree to Mr. Callaghan's request.

The tone of her speech last night certainly suggested that she had little inclination to hear Labour's counter proposals.

Instead, she urged the country to square up to the truth about its situation.

"Britain's long post-war decline, I am sorry to say, arises all from our own shortcomings than from anything else. It is, in short, our own fault. There is no one else to blame.

"Our past has now caught up with us. Recession abroad combined with poor industrial performance and excessive wage claims at home are taking their toll."

Mrs. Thatcher urged the country to face the facts that higher standards of living exacted without creating the wealth pay for it simply raised prices and cost jobs; that unions and management shared some responsibility for our present condition and for working our way out of it; that the Government could not create wealth but only the climate in which businesses could flourish; and that unless companies produced goods and services which consumers wanted, the country could not prosper.

Mrs. Thatcher said she

Continued on Back Page

Japanese car makers to continue UK sales limit

BY JOHN GRIFFITHS IN LONDON AND CHARLES SMITH IN TOKYO

JAPAN'S motor manufacturers have agreed to continue restricting their car sales in the UK for a sixth year.

Talks in Tokyo between the Japanese Automobile Manufacturers' Association (JAMA) and Britain's Society of Motor Manufacturers and Traders ended yesterday with a joint communiqué saying JAMA "hoped" its members would exercise "prudence" in the UK market in 1981.

The communiqué warned that JAMA was not in a position to give orders to its members. But its wording was virtually identical to previous agreements, and the SMMT said in London last night that this year's market share ceiling of 11 per cent would be maintained through 1981.

JAMA also gave an assurance that Japanese sales this year would not exceed 11 per cent, despite the fact that they have taken 12.77 per cent of the market in the first eight months.

Sales in the first few days of September are still running at over 13 per cent, but JAMA said the high share was accounted for by Japan's failure to anticipate the steep drop in the market which had occurred since April.

Shipments and sales would contract sharply in the last four months. Only slightly less than 20,000 Japanese cars—5 per cent of the market—are likely to be available until the end of the year.

The outcome of the two days of talks was "pretty satisfactory," the SMMT said, although its protest against the importing of Hino heavy trucks from the Irish Republic, where they are assembled, was effectively cold-shouldered by JAMA.

The protest was based on an earlier Japanese commitment not to ship trucks of over 3.5 tonnes into the UK. But the Japanese argued yesterday that the imports were "indirect" and did not technically breach the commitment. The two sides agreed to keep the issue under review.

There had been growing fears before the meeting that the Japanese would refuse to accept a further agreement. They have become increasingly impatient with the restriction, originally accepted to allow the revitalisation of BL, which has seen Continental importers' share of the UK market double

Continued on Back Page

Royal Doulton to axe 1,000 jobs

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

ROYAL DOULTON, the china and glassware subsidiary of S. Pearson, is to close five factories and axe between 900 and 1,000 jobs in the Potteries and the East Midlands.

Mr. Richard Bailey, chairman, said yesterday a cut of 10 per cent in production was necessary to respond to depressed world markets.

Short-time working among the 9,000-strong workforce for several months, had provided only a temporary solution.

Exports account for 60 per cent of the company's £95m a year turnover in bone china, tableware and giftware.

Mr. Bailey, just returned from a month's tour of the company's principal markets in the U.S., Canada and Australia, said there was no prospect of increased demand.

The company had to "face up in the reality of the international recession."

"Obviously, like all exporters, we have to face the difficulties of high inflation, high interest rates and the strength of sterling, but the

Chubb to pull out of cash registers. Page 6
Pressed Steel Fisher invites redundancies. Page 7

real cause is the difficult world market," Mr. Bailey said.

Detailed discussions with the trade unions would be held over the next two weeks, but Mr. Bailey was confident there would be no opposition.

"They recognise we are taking a positive step to remain competitive in world markets."

None of the company's main products, such as Royal Doulton or Minton china would be affected. The closures would affect marginal activities, such as floral giftware.

Four tableware factories at Stoke-on-Trent will be closed, as will a crystal glass plant at Tutbury, near Derby. Production would be concentrated at the company's remaining 14 factories, mostly in the Stoke area.

The aim was for full utilisation of capacity to raise productivity and cut costs, Mr. Bailey said.

He hoped the changes would be completed by the end of the year.

"Our profit performance in recent years has been in the van of the best of British industry and we intend it should stay there. To do that, we must compete for an increased share of a depressed world market."

Caution over cutting MLR

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CITY FINANCIAL markets yesterday became more cautious about the prospects for an imminent cut in Minimum Lending Rate.

This was in contrast to the almost unrestrained optimism of Tuesday.

Initially yesterday prices of gilt-edged stocks rose strongly to show gains of up to £1½ on top of the rises of nearly £3 late on the previous day.

But demand slackened and a wave of selling and profit-taking cut the maximum gains to £¾ with some losses of up to £¼. Short-dated stocks closed between £⅛ up and £⅛ down.

This caution was also reflected in the foreign exchange market where sterling stabilised following its decline on Tuesday. After falling in early trading to a low of $2.3950, the pound recovered to close 25 points up at $2.4030, a fall of 1.55 cents compared with Tuesday morning. The trade-weighted index, measuring the average value of sterling against other currencies, closed unchanged at 76.0.

A cut in MLR today was regarded last night as highly unlikely in the City. The general view is that the Government may prefer to wait for another set of monetary figures

early next month to see if the underlying demand for credit has begun to slacken as hoped.

The figures will be available in time to allow a change before or during the Tory Party Conference.

But money market interest rates have begun to edge down in the last couple of days. Three-month interbank rates—a key influence on the cost of part of the banks' deposits—have slipped by ⅜ of a point so far this week to 15⅞ per cent.

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London gold price closes at $684.50 an ounce

BY DAVID MARSH

THE PRICE of gold rose by $15.50 in London yesterday to close at $684.50 per ounce, its highest for nearly seven months.

A surge of international funds also moved into silver and platinum.

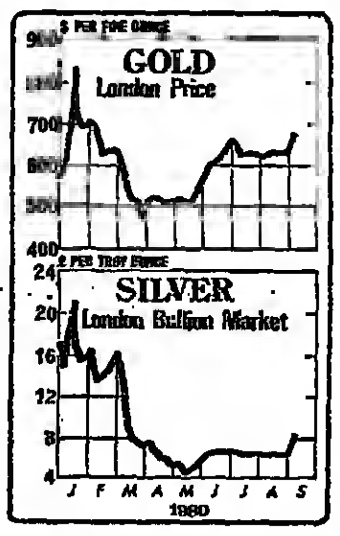
It was one of the busiest day's trading on precious metal markets since the outbreak of speculative fever at the start of the year.

The buying spilled over into other metals, with copper in particular gaining ground on the London Metal Exchange.

Strong demand emerged for both gold and silver in the past few days, mainly because of fears that the meeting of the Organisation of Petroleum Exporting Countries in Vienna next week may lead to oil price rises.

Renewed buying was also prompted by President Jimmy Carter's tax-cut proposal announced at the end of last month. There is some feeling in the market that a tax reduction could damage the chances of U.S. inflation reducing to single figures.

The dollar, which weakened lately against major currencies, was unruffled yesterday by the activity in precious metals. Its



trade-weighted index against a basket of other currencies, calculated by the Bank of England finished unchanged at 83.6.

Gold has risen by $52, or more than 8 per cent, this month. This follows the ending of the summer lull, which had seen the price moving down

Commodity markets, Page 35

AUEW rejects 6.2% pay offer

By John Lloyd, Labour Correspondent

UNION LEADERS representing about 2m engineering workers yesterday rejected a wage increase of 6.2 per cent offered by the Engineering Employers Federation.

But it was clear after the meeting between the Confederation of Shipbuilding and Engineering Unions and the EEF that there was no immediate prospect of industrial action.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said: "We are not in an aggressive mood."

A further meeting has been agreed for October 13.

The Unions' claim, presented to the EEF last month, is for about 18.5 per cent.

Mr. Anthony Frodsham, director-general of the EEF, told union leaders that demand for the industry's products had fallen "significantly" this year, and was expected to fall further in 1981.

Pay had gone up ten times as fast as productivity over the past three years, while in Japan, productivity had risen faster than pay. Last year, the EEF conceded 20 per cent pay rises after a ten-week strike.

The EEF said prices have been depressed to encourage sales, but with ever-rising costs profits soon disappear.

The federation rejected all other points in the union's claim, including an increase in differentials in certain areas and an increase in apprentices' pay.

Mr. Duffy said the unions recognised the poor state of the industry, but argued that it was the fault of the Government's monetarist policies, not of large wage rises. "We are seeking a good wage for a good day's work," he said.

The employers' offer would raise the national minimum pay for a skilled worker from £73 a week to £77.50, while unskilled rates would rise from £52.50 to £55.50. Semi-skilled workers would receive pro-rata increases. The unions' claim would put a skilled worker on £86.40 a week.

Actual average wages in the industry are £98.50 a week for skilled workers, and £72.80 for unskilled workers.

£ in New York

—	Sept. 9	Previous
Spot	$2.4005-4015	$2.4205-4215
1 month	1.21-1.16 dis	1.00-0.95 dis
3 months	2.52-2.47 dis	2.70-2.65 dis
12 months	5.15-4.95 dis	5.65-5.45 dis

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For latest Share Index phone 01-246 8026

Polish team in Moscow talks on aid

BY DAVID SATTER IN MOSCOW

A POLISH economic delegation beaded by Mr. Mieczyslaw Jagielski, Deputy Prime Minister, arrived in Moscow yesterday for talks with Soviet officials which were expected to focus on the amount and conditions of Soviet financial aid.

Mr. Jagielski announced earlier this month in Warsaw that the Soviet Union had proposed a package of material and financial aid for Poland in the wake of the recent wave of strikes. The Polisb Government said the strikes had cost the country an estimated $1bn (£417m).

The Soviet news agency, Tass, in a hrief report, said that the members of the Polish delegation met Mr. Ivan Arkhipov, s Deputy Prime Minister, Mr. Nikolai Baibakov, head of the Soviet Planning Commission, and Mr. Mikhail Kuzmin, First Deputy Foreign Trade Minister.

The Poles owe an estimated $20bn to the West and the Soviet Press has recently published an unusual report on tbe scale of Potish indebtedness and the cost of debt-servicing which was seen in Moscow as an oblique form of criticism.

Tass said the initial economic talks in Moscow were held in a "warm and friendly atmosphere" but there was no indication how much the Soviet Union was prepared to loan to Poland or on what terms.

Soviet nett hard currency indebtedness is estimated to be only about $5bn and the Soviet credit position has been excellent. Observers speculated that, under the pressure of the current situation in Poland, the Russians might divert hard currency to Poland to help the Poles buy needed consumer goods.

Roger Boyes reports from Bonn: West Germany is optimistic that Warsaw will continue to play an important part in the dialogue batween East and West despite the change in the Polish leadership. But, at the same time, Bonn has warned—in an apparent signal to Mcscow—against any outside interference in Polish affairs.

These views were voiced by Herr Hans Dietrich Genscher, the German Foreign Minister, partly st a Cabinet meeting yesterday and partly in a speech given to mark the visit of Mr. Frigyes Puja, the Hungarian Foreign Minister. Mr. Puja is the first senior East European official to visit Boon since the beginning of the Polish troubles.

Ceausescu woos the Romanian consumer

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

IN A terse six-line news item broadcast over Radio Bucharest last night the Romanian Communist regime led by President Nicolae Ceansescu announced that the Government bad decided to cut the equivalent of $500m (£208m) from this year's military and domestic budget to ensure "a steady rise in living standards and socio-economic development."

This represents the clearest iodication so far that the Romanian authorities are worried about the possibility that the current worker unrest in Poland could spill over into Romania.

Romania has the lowest standard of living among the East European countries and an even worse meat and food supply problem than Poland. It also has by far the most obtrusive internal security forces in Eastern Europe, dedicated to suppressing all signs of opposition to the highly personalised and authoritarian rule of President Ceausescu aod his policies of rapid industrialisation.

Romania's internal economic situation has deteriorsted sbarply over the last year in response to the rise in oil prices, whicb has struck a major blow at economic policies based largely on an extensive petro-cbemical industry and other energy iotensive industries. Historically this was justified by Romania's own domestic oil supplies but Romanian self-efficiency ended in the mid 1970s as a result of depleted oil reservea and rising demands from industry.

The turmoil in Iran caused further complimations as Romania bad contracted to purcbase 5m tons annually from the Sbah. The breakdown of this contract caused Romanian leaders to seek alternative suppliers, including the Soviet Union which agreed to supply 400.000 tons last year and 1m tons io 1980. This Soviet oil, like the rest of tha 8m tons it requires eech year to supplement domestic output of around 14m tons, has to he paid for in hard currency, and at world prices.

Nicolae Ceausescu: A change from trucolence.

To find this currency Romania has been obliged to increase its foreign borrowing, which stood at an estimated $6.5bn at the eod of 1979, and divert supplies already in short supply from the domestic market to export. This has further exacerbated problems over meat and food supplies which were already short owing to past neglect of agricultural investment and floods this year.

Now Romania has embarked upon a policy of crash developmeot of its indigenous coal and hydro-power resources and nuclear energy using Canadian technology and finsnce. Coal ouput has hewever remained stubbornly below the ambitiuos, and probably unrealistic targets.

Harsh and dangerous working conditions and bad food supplies sparked a major strike in the Jiu valley coalfields in 1977 and simmering unrest continnes both there and at other industrial centres.

Last year Mr. Ceausescu embarked on a sharp crackdown on dissidents and similar action is reported against the 2,000-strong Free Union of Rumanian workers, which demanded legal recognition last spring.

Last week however, in a significant departure from past truculence, Mr. Ceansescu made a personal trip to the lignite mining area of Motru. Instead of lambasting workers for poor productivity and failure to meet targets, he praised them for their contribution to the Romanian economy.

Operetta finale to Androsch drama

By Paul Lendvai in Vienna

THE POWER battle in Austria's Socialist Government began as Sbakespearean drama but ended as Strauss operetta with the entire cast on stage, clasping hands and singing each other's praises and those of the Socialist Party.

Chancellor Bruno Kreisky who will be 70 next January threatened to quit if the party did not accept his 10 commandments to stamp ont corruption. Two of these demands, divestment of business interests and the division of the Finance Ministry, directly affected his ambitious deputy Dr. Hannes Androsch the Finance Minister. Dr. Kreisky was convinced that Dr. Androsch would not be willing to make a double sacrifice: giving up his profitable accountancy firm and also agreeing to a weakening of the powers of the Treasury. Before Tuesday's crucial meetings of the party presidium, Dr. Androsch said that be would not accept the conditions and added that there was no basia of confidence between him and the Chancellor.

But when the dust had settled both Dr. Kreisky and Dr. Androsch remained in their positions.

Whst had happened? Dr. Kreisky became party leader in February 1967 with the help of the regional party leaders and the support of public opinion, against the will of the trade union leader, Herr Anton Benya and the Viennese party establishment. On Tuesday a coalition of some disgruntled regional leaders, including two Socialist governors—of Carinthia and Burgenland—and of Herr Benya and his stalwarts forced Dr. Kreisky and his deputy to patch up their quarrel for the third time in two years.

Dr. Androsch, who last spring proclaimed that be would rather leave the Government than give np his accountancy firm, hs now pledged to "do his best" to divest himself of it. He accepted the Chancellor's proposal to take away the Treasury's decision-making powers over the nationalised banks (Creditanstalt Bankverein and Oesterrichische Laenderbank) including their industrial holdings.

Evidently a combination of factors contributed to his political survival. In addition to the difficult economic and external payments situation and to some artificially whipped-up concern about a Socialist move towards the Left, there was clearly s backlash in the leadership against Dr. Kreisky's tactics. He had mobilised the media while Dr. Androsch, in a rare bow to party discipline, refused to make any statements before the decisive meetings.

The consequences are continuation of the deadlock in the top leadership and further encouragement for the left wing which is upset about what a yoong official called, "The betrayal of Socialist principles for the sake of power." In a very real sense, there are no winners but only losers in such a situation. The credibility of the party which bas been governing Austria since April, 1970, bas been shaken, perhaps beyond repair. Dr. Androsch has been undarmined by criticism to an extent to make it unlikely that he will ever achieve his ambition of taking over as Chancellor.

Deadlock in Fiat talks

By Rupert Cornwell in Rome

FIAT'S management and unions last night broke off three days of intensive negotiations, having failed to bridge their differences over the proposals of the group to lay off 24,000 workers at its troubled car division until the end of 1981.

The main engineering unions have now called a three-bour protest strike throughont the Fiat group for today, and have appealed to the Italian Government to intervene as mediator in the potentially explosive dispute.

Company representatives have mad elittle secret of their feeling that many of the 24,000 lay-offs will become full-scale redundancies at the end of the period. But in a statement last night, Sig. Franco Foschi, the Lahour Minister, declared that redundancies "could be and bad to he avoided."

Fiat's management argues that the drastic surgery it is seeking is the minimum required if the group is to survive the sharp contraction expected in European car markets over the next 18 months.

But union representatives insist that the management has artificially bloated its demands and reject all suggestions of redundancies. At the most they are ready to accept early retirement schemes, a halt to recruitment and greater mobility of labour within the group, which employs some 350,000 people in Italy and elsewhere.

Sporadic spontaneous strikes took place yesterday at Fiat around Turin. An estimated 60 per cent of the employees at the Rivalta factory took part, while other workers marched to the headquarters of the Indesit electrical appliances group, which has laid off virtually the whole of its 12,000 workforce in a desperate attempt to prevent the company from going into bankruptcy.

Lisbon may make solo EEC bid

BY GILES MERRITT IN LISBON

A SPLIT has developed between the twin bids of Spain and Portugal to gain simultaneous entry into the European Community by January 1983, according to senior Portuguese officials.

The result could be that Portugal's membership of the Common Market will remain tied to the 1983 date, while in the face of continuing French doubts, that of Spaio will be delayed until the following year or even 1985.

Ministers in the Lisbon Government headed hy Sr. Francisco Sa Carneiro now points to a number of recent developments that they believe separate Portugal's bid from that of Spain and whicb save the Portuguese from being blocked by France.

In hi-lateral contacts over the past 10 days the French Government is nnderstood to have assured Lisbon thst because of Portugal's agreed timetable for abolisbing remaining import controls and tariffs by 1984, Paris will oot seek to delay Portugal's membership. But the French Government indicated that the Community must negotiate similar terms with Madrid before membership of the EEC cao be discussed in earnest.

Following a telepbone call at the beginning of this week by Sr. Sa Carneiro to M. Raymood Barre, the French Prime Minister, France is also uoderstood to have indicated that it will support Portugal's application for 350m European units of account in pra-accession aid, whicb is due to be reviewed at the EEC Coucil of Ministers meeting in Brussels on September 15.

If France's assurances to Lisbon lead to a formal split between the parallel attempts of Portugal and Spain to join the EEC, the framework for the enlargement of the Common Market to 12 member states will he seriously cbanged. It had been planned that following Greece's entry next January the two Iberian candidate countries would join simultaneously to reduce disruption.

Ministers in the Madrid Government bave come to accept that French reservstions on Spanish membership, based cbiefly on sgricultural issues that could barm President Giscard d'Estaing's re-election support in southern France, imply a delay of at least a year in Spain's entry.

But Portugal bas this summer heen conducting a diplomatic campaign in the capitals of the Nine to dissociate its EEC timetable from that of the Spanish.

Warning for Greeks from OECD

By David White in Paris

ZERO GROWTH is forecast for Greece'a gross domestic prodnct this year in a report published by the Organisation for Economic Co-operation and Development.

The Paris based organisation reckons that GDP might rise a little in real terms in 1981, the first year of Greece's membership of the European Community. But it warns that Greece must increase investment and productivity if it is to respond to the cballenges of entry to the Community.

Last year GDP rose by 3.75 per cent and domestic demand rose 4.5 per cent. This year total domestic demand is expected to fall back. But the OECD says this is unlikely to bring any relief to the problems of inflation—expected to be 25 per cent—or the current account payments gap, which is expected to rise from $1.75bn in 1979 to $2.5bn this year.

/£dnlan.‡Economica e e etao s

The trade deficit is expected to widen from $6.25bn to $7.25bn, despite falling demand and the end of speculative stock-building. The OECD says these factors will be more than offset by worsening terms of trade and stagnation in Greek workers' remittances from abroad.

Fixed investment is expected to fall by almost 5 per cent this year and, at constant prices, is still below the levels of 1973 despite rising steadily over the previous five years. Government investment, especially in infrastructure is likely to be about 25 per cent down.

Households are likely to see their purchasing power whittled away after enjoying a 3 per cent rise in disposable income last year.

But inflation is expected to ease off to around 20 per cent next year.

Political crisis 'has not run its course'

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S political crisis has still not run its course and the reform process will not be easy, a Writers' Union meeting in Warsaw has been warned by Mr. Mieczyslaw Rakowski, a Communist Party Central Committee member.

Mr. Rakowski, editor of the weekly Polityka which reflects liberal opinion in the party, told the meeting that it was the "structures of the system" which were the basic cause of the present crisis.

"Mr. Glerek misunderstood this. He thought the unrest could be settled by granting wage increases, and there are still some people who think that," he said.

But the system introduced in Poland after the war was modelled "on the way the Soviet Union, which has quite different traditions, was run in the 1930s." Those structures are unable to cope with the demands of a modern society.

Mr. Rakowski admitted that changes would be opposed. "There are those who will not want to change and they will have to go, but before they do, they will put up a fight."

The state of the economy meant that if reforms were introduced it would be some time before they produced effects. Another problem was that the Polish Communist Party "does not bave, nor did bave in the past, a strong intellectual background.

Mr. Rakowski warned that the process of change would also be limited by the fact that "what was bappening in Poland had worried our allies.

Mr. Andrzej Szczypiorski, a writer, told the meeting that whet was needed was "cool reflection and scepticism." Many of those present had experienced more than one period of promised renewal which had come to nothing, he declared. But he did suggest that "maybe this time we can do something" to ensure that concrete gains are achieved.

The key issue for the writers is that the authorities must be made to stick to their pledge to limit the powers of the State censor. The Government has promised to present a draft law witbin three months which will clearly define which subjects can be censored and will provide a right of appeal against decisions.

This was one of the demands of the strikers on the Baltic coast last month. "The workers' achievements mustn't be wasted — they fought for our rights and the least we can do is to join in the struggle for reforms," Mr. Szczypiorski said.

Mr. Jan Jozef Lipski, a literary critic and one of the founders of the KOR human rights group, criticised the union for not doing enough in the past to defend dissidents and their working-class sympathisers.

"The workers have given us a platform on the censorship issue, now we sbould help them set up the independent trade unions," be said.

The unrest which has swept through Polish industry since the beginning of July is now spreading to other intellectuals.

Next week, representatives of various creative associations, such as musicians and filmmskers, are to meet.

"Experience and the Future," a discussion group of prominent experts and academics from various fields who, in the past, were discouraged by the authorities from meeting, heve decided to come together.

Industrial unrest continned in Poland yesterday and strikes were reported in the towns of Bialystok, Suwalki and Tarnobrzeg. New strikes have also started in Koszalin, Lodz and Radom.

Job-creation 'starved by Nine'

BY JOHN WYLES IN BRUSSELS

JOB-CREATING industrial aod service projects last year acconnted for the lowest proportion of total aid committed from the EEC's Regional Development Fund since 1976, according to a report issued yesterday.

At a time wben several member states were clearly sliding towards recession and high regional unemployment, this phenomenon appears to he worrying the European Commission. Its fifth annual report on the fund's activities nrges member states to make more effort to seek aid for such direct employment-making projects.

But since the Community's regional funds go largely to supplement member Governmeots' regional spending, the implication aeems to be that in some countries job creation measures last year fell foul of fiscal stringeocy aod declining industrial activity.

In the five years since the fund began in 1975 some 32 per cent of total commitments bave been earmarked for industrial ar dservice projiffects. Last year's commitments, however, amounted to only 28 per cent with the balance earmarked for infrastructure spending.

According to the Commission a total of £586.8m (962m units of account), was committed for regional developments last year, designed to create or maintain 79,000 jobs. This took commitments made by the fund since its inception to £1.51bn (2,488m UA) affecting 340,000 jobs.

Actual payments made last year were £312.9m (513m UA) while the five-year spending total climbed to £805.9m or 53.2 per cent of lotal commitments. The relatively modest proportion of commitments actually drawn by member states partly reflects the long lead times of some regionnal projects, partly the limited capacity of some countries to absorb allocated money quickly and partly an over-optimistic view hy Governments of the rate at which they would fund their projects.

Cyprus reshuffle angers the Left

BY OUR FOREIGN STAFF

PRESIDENT Spyros Kyprianou has come under sharp attack from his main allies in Cyprus following a Cahinet reshuffle announced on Tuesday.

The reshuffle comes a week before the long-stalled talks between the Greek and Torkisb Cypriots are due to resume. In the changes seven Ministers lost their posts including Dr. Chrysostomos Sofianos, Minister of Education who had been under attack from the right.

Three key Ministers retain their posts. They are Mr. Nicos Rolandis, Foreign Affairs, Mr. Afxentis Afxentiou, Finance, eod Mr. Christodoulos Veniamin, Interior and Defence. The new Ministers are mainly technocrats without a party background.

AKEL, the powerful Cypriot Communist Party which helped Mr. Kyprianou to become President in 1978, has attacked them for "representing nobody." It was particularly incensed at the replacement of Dr. Sofianos and charged Mr. Kyprianou with losing the people's confidence.

The new Cahinet has also been assailed hy the Democratic Rally, the Right-wing opposition party led by Mr. Glafkos Clerides, the former Greek Cypriot negotiator in the intercommunal talks. But the attack hy AKEL is more worrying since the party is probably the largest in Cyprus, as well as baving the largest share of the vote in the world of any Communist Party not in power.

AKEL now says that it is withdrawing its support and its members say that they will press for parliamentary elections to he brought forward from next summer. These elections will he uoder the system of reinforced proportional representation instead of the first-past-the-post system hequeathed by the British.

Secret service chief resigns

By Our Paris Staff

THE HEAD of intelligence of the French Secret Service, Col. Alain de Gaigneron de Marolles, has resigned—the third man to quit in the spece of four years. Col. de Marolles had only heen in the joh for a year.

The newspaper, Le Monde, said yesterday that it wes thought be had aroused opposition over his handling of African affairs, particularly with regard to Libya.

Dublin considers petrol rationing

By Stewart Dalby in Dublin

THE IRISH Government wss yesterday considering whether lo ration petrol in the light of a strike by oil tanker drivers. Two-thirds of suppliers, mostly in Dublin and the surrounding areas, are affected.

The stoppage, involving several hundred workers, was started at the weekend by Texaco drivers over conditions of work. They are being supported by workers at other companies and only Esso is still making deliveries.

French to build another plant for uranium fuel

By Our Paris Staff

THE FRENCH nuclear industry is planning to build a uranium fuel plant in Sonth-west France to add to the joint Franco-Belgian concern already operating in the region.

Building spproval for the project, to be based near the fuel enrichmant unit run by lhe Eurodif consortium at Tricastin, is expected within a few weeks. It is hoped to start work early next year and to bring the plant into operation at the end of 1982.

COGEMA, the nuclear fuels subsidiary of the French Atomic Energy Commission, has stressed that the new project is in no way intended to undermine the position of the Franco-Belgian operation.

A further indication of the continuing expansion of the French nuclear industry came yesterday with news that the atomic energy commission hss development a chemical process for enriching uranium which could be commercial in the not ton distant future.

Work on the process, which has been going on for more than 10 years, has now led to a suhstantial reduction in energy costs and in the time needed to produce the product.

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John Wyles in Brussels assesses Mr. Roy Jenkins's four years as president of the European Commission

Jenkins leaving a legacy of old problems in Brussels

QUITE OFTEN at this stage in the life of a Europesn Commission, the appropriate symbol for tha Enropeao Commnnity is the lame duck, fleeing or about to flee its oest. The 13 Commissioners now ensconced in Brussels retire at the end of the year and, as a result, Community politics could he expected to slip into neutral, with all initiative absent until their successors are run in next year.

Next Monday sees the first Council of Ministers meeting of the antumn, but the dog days of this Commission are to be different, or at least Mr. Roy Jenkins, the Commission's president, is said to be determined to make them so. He is discouraging early departures from Brussels by retiring Commissioners who may have arranged attractive new employmeot in their home countries, and the only absentee over the next few weeks will he Herr Guido Brunner, the Energy Commissioner. He would like a future for himself as a Free Democrat member of the next West German Parliament and is thus required at the hustings between now and October 5.

For the remainder, Mr. Jenkins has decreed business as usual until Christmas, the priorities being preliminary work on restruchiring the Community budget and securing an agreement by the Nine on a common fisheries policy.

In every sense these are evergreen problems, and their dominance in the final months of Mr. Jenkins's presidency bears testimony to the glacier speed at which tha Commuoity resolves its difficulties. Indeed, while the creation of the European Monetary System, the successful negotiation of Greek membersbip from next year, aod this year's settlement of the highly damaging British budget dispute stand as major achievemeots of the past four years, the Community is low on vitality and direction.

Mr. Jenkins cannot be blamed for the current political anaemia. But it is none the less the case that four years after his arrival io Brussels as the man most likely to succeed in leading the Community towards closer integration, many key problems of January 1977 are still in need of solutioo.

During the next four months, the Community will still be asking itself how to curh the Common Agricultural Policy's insstiable appetite for close to 80 per cent of its hudgat, how to control and reduce its absurd surpluses, how to develop and finance effective regional policies, how to land a common fisheries policy, bow to progress towards economic and monetary union, and how to accommodate the membership of the fledgeline democracies of Greece, Spain and Portugal without exacerhating most of its present difficulties.

Mr. Roy Jenkins, right, arrived in Brussels hailed as the man most likely to lead the Community towards closer integration. Despite the achievements over the four years of his presidency, his successor, M. Gaston Thorn, left, will find many key problems of January 1977 still awaiting solution.

Of this by no means complete litany, only the five-year search for a common fisheries policy looks likely to be steered towards agreement in the next four months. The overriding reason is that this year the Nine found the political will to forge an agreement and to set themselves an end-of-the-year deadline. The equstion between political will and final resolution is obvious in a Community of national governments whose reluctance to transfer authority to Brussels or to sbandon the principle that virtually all Community decisioos, big and small, must he uoanimous, often leaves the Community with as much motive power as a horse-drawo oil tanker.

Two reports in the past 15 months have suggested iostitutional and procedural changes needed if decision-making in the Community of 10 or 12 is to he rescued from paralysis. Although Mr. Jenkins and his colleagues are implementing some modest recommendatinns from the Spierenburg Report, affecting the Commission's interoal procedures, the Nine have heen disinterested in the report's insistence that the number of Commissioners, soon to be 14, should he reduced to 10 to make the Commissioo's work more efficient, effective and relevant.

Equally, they have devoted minimal consideration to the Three Wise Men's recommandations, commissioned by their beads of government, to streamline decision-making and improve the working of the institutions. Their indifference to this report means that, in the next few weeks, Mr. Jenkins'a successor, M. Gaston Thorn, will acquire 13 colleagues as Commissioners, without any of the close consultation and Involvement the Three Wise Men regarded es vital for giving a much-needed boost to the Commission president's authority.

There are strong signs that more than balf M. Thorn's colleagues will be reappointments from the present Commission, although the case for a bigger infusion of new blood is virtually unanswerable. Thus, Messrs Ortoli and Cheysson (France), Haferkamp (West Germany), Gundelach (Denmark), Natali and Gilitti (Italy), Davignon (Belgium) and Tugendhat (UK) may well be present at that long night in early January when every four years the Commissioners stage a ritual and bloody battle behind closed doors over who gets what job.

In choosing the new Commissioners, very few of the 10 Community members will give a strong weighting to the criteria of excellent and fitness for the task. The Big Four—France, West Germany, the UK and Italy—usually strive for political balance by allocating one of their Commission slots to coalition partners or the main opposition party. As a result, political jobbery abounds, while the candidate from the governing party may be a political lightweight.

The European Parliament, which wants e stronger role in approving the Commission's president, his colleagues and their programme, can and will be largely ignored by the Ten. It is slready clear that because its activities are very largely limited to expressing opinions on Commission proposals, the new directly elected Parliament is unlikely to offer the Community a consistent dose of adrenalin. Its use last year of its strongest weapon, rejection of the Community budget, is unlikely to be repeated in the next four months, although the reorientation of Community expenditure away from agriculture in the 1981 draft is extremely modest.

Many people are plnning their hopes for a revival of the Community's sense of direction on the passing of the West German elections next month end the French presidential election next April. If Chancellor Helmut Schmidt and President Valery Giscerd d'Estaine are returned, it is said they will address themselves to the necessary institutional and policy reforms. The combined pressures of looming bankruptcy for the Community budget and membership negotiations with Spain and Portugal could yield a new "Grand Design" for Europe. Hope springs eternal.

هكذا من الأصل

Rioting flares again in India

FRESH rioting flared yesterday in Moradabad, Northern India, and local authorities ordered a 24-hour curfew, the Unfted News of India agency said, Renter reports from New Delhi.

The violence at Moradabad comes two days after 10 people were killed in renewed Hindu-Moslem fighting in the nearhy town of Aligarh, which is predominantly Moslem. Moradabad, was the centre of Moslem-police and Moslem-Hindn clashes which began on August 13, after Moslems alledged they saw pigs enter a prayer meeting. The trouble sperad to 12 other Northern Indian cities and 176 people are believed to have been killed in the rioting, mostly in Moradabad.

West Sahara talks

The Organisation of African Unity (OAU) yesterday began hearings into the Western Sahara dispute, in the latest attempt to bring peace to the region. Reuter reports from Freetown, Sirra Leone. Algerian - backed Polisario guerrillas have been fighting Morocco for the phospate-rich area since 1976.

OAU officials said they will listen te 14 parties involved in the dispute-Morocco, organisations based in the Western Sahara.

Saudis deny oil cut

Sandf Arabian Oil Ministry officials said the Kingdom's ofl output is to remain at 9.5m barrels a day and its price at $28 a barrel, Reuter reports from Bahrain. They were commenting on a report in the Guardian quoting industry officials that Saudi Arabia had cut outpnt by 1m harrels a day.

Kim trial to resume

The trial of Kim Dae-Jung, charged with attempting to overthrow the Korean government by violence will resume today, Sonth Korea's martial law authorities said yesterday, Reuter reports from Seoul. Kim, who was closely defeated by President Park Chung-Hee in the last popular Presidential election in 1971, conld face death if convicted. He has denied all sedition charges.

Syria and Libya agree to merge

BY ROGER MATTHEWS

SYRIA AND LIBYA, two of the most radical Arab states, have agreed to merge into a single political, military and economic unit, to confroot Israel and "liberate Palestine."

The announcement was made simultaneously yesterday in Damascus and Tripoli, after a visft by President Hafez al-Assad to the Libyan capital.

In common with the rest of the Arab world, both countries have a disastrous record nf attempted mergers. Lihya has tried and failed with Egypt, Sudan and Tunisia. Syria has had similar experiences with Egypt, and most recently Iraq.

The idea of a merger was first mooted 10 days ago by Col. Muammar Gaddafy, the Libyan leader, and received an immediate and enthusiastic response from President Assad. In yesterday's joint proclamation, the two leaders said the new state wonld be "the base and means of confronting the Zionist presence and a means of liberating Pelestine."

The attempted merger appears to be another and more desperate response to the Egyptien-Israeli peace treaty by two virtually friendless régimes as far as the Arab world is concerned. In the past 12 months the need to find a credible foreign policy, after the diplomatic exclusion of Egypt from the Arab world, has been exacerbated in Syria and Libya by increased dissent domestically which has caused mounting speculatioo about the stability of both régimes.

After the initial success of the 1978 Arab summit in Bagbdad and the abortive plan for union between Syria aod Iraq, Mr. Assad has become steadily more isolated in the Arab world.

He is still deeply militarily enmeshed in the Lebanon, relations with Iraq have almost reverted to the almost open hostility of pre-1979, and there has been a distinct cooling in links with Jordao.

At the same time, the Syrian economy is stagnant and the régime has been uoable to stem the serious social unrest and political violence in Damascus aod three northern cities.

It is a measure of Mr. Assad's despair that he should have agreed to the merger with Libya. Senior Syrian officials have in the past not sought to disguise their suspicions of Col. Gaddafy.

With Col. Gaddafy's record of interference in the internal affairs of other countries, their suspicions are well fouuded. During the past five years, he has tried to topple the régime in Sndan, failed to prevent the overthrow of Idi Amin in Uganda, has intervened militarily in Chad, and earlier this year sponsored the attack on the northern Tunisian mining town of Gafsa.

But he is understood to be genuinely concerned at the possibility of an Egyptian attack across the border just as Mr. Assad is worried that Israel may seek to draw him intn a limited war that he would he hound to lose.

These fears have in part prompled even closer lies between the Soviet Union, Syria and Libya and the two Arab slates can be expected to use their planned merger as a lever to extract larger and more sophisticated weapons from Moscow.

Syria may also be fearful that its cash aid from Iraq could dry up soon and would he looking to Libya to make up some of the shortfall. Yesterday's 14-point proclamation pledged there would be a single revolutiooary leadership and a unified executive body. The first meetiogs of these newly-created bodies would be held within a month.

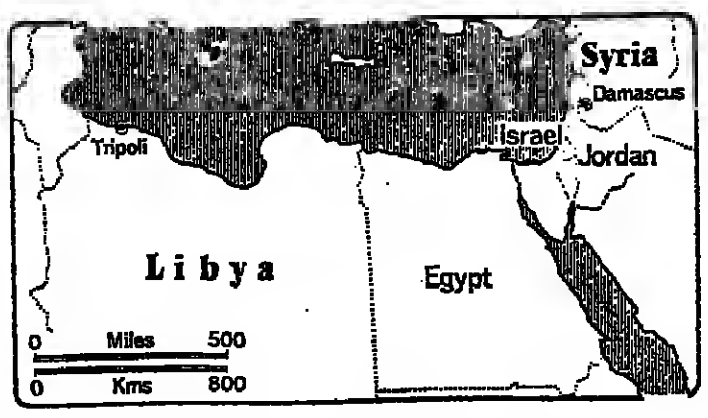
The two countries have a combined population of about 11m, Syria being hy far the larger with 9m. Both have received suhstantial Soviet military supplies, hut the geographical distance between them makes the possihility of joint military actioo remote.

A vital element in whatever progress is made lowards union will be the relationship between the two sbarply dissimilar leaders.

Mr. Assad is renowned for his caution, the care and, some would say, excessive deliberalion that precedes policy decisions, and the almosi total lack of political charisma that is the hallmark of his régime.

This is coupled with wbat is undoubtedly a highly-principled stand on the issue of Palestinian rights and beneath the rhetoric an acceptance that the Middle East conflict will probably only ever be resolved through negotiation.

Col. Gaddafy is the most mercurial of Middle -Eastern leaders who basically rejects compromise and whose domestic and foreign policies often seem to disregard any accepted norms.



Courtship, marriage and divorce

SYRIA:

1958-61: Merger with Egypt in United Arab Republic.

1979-80: Announced but unconsummated merger with Iraq.

LIBYA:

1971: Failed attempt to merge with Sudan and Egypt.

1973: Unity march by several thousand Libyans again fails to achieve merger with Egypt.

1973-74: Repeated wooing of Tunisia eventually founders.

Egypt, Israel resume contact on Palestinians

BY ALAN MACKIE IN CAIRO

EGYPT AND ISRAEL are to resume Ministerial contacts on reslarling the Palestinian autonomy talks, President Anwar Sadat disclosed after an hour-long meeting with Mr. Jitzhak Shamir, Israeli Foreign Minister, at the Egyptian President's Alexandria rest house yesterday.

The meetings to explore the grounds for re-opening the talks will take place at the Uniled Nations later this month, and will include meetings between Mr. Shamir and Dr. Butros Gbali, the Egyptian Minister of State for Foreign Affairs, who hosted the Israeli Foreign Minister's 24-hour visit to Egypt.

Mr. Shamir's discusions with Dr. Ghali on Monday evening and President Sadat yesterday appear to have broken the ice that set in after Mr. Sadat suspended the autonomy talks last month, in protest at the Jerusalem Bill.

They reportedly made progress at improving bilateral relations—the ostensible reason fnr Mr. Shamir being invited to Egypt—although neither side said what steps would be taken to speed up normalisation.

Israel has complained that Egypt bas dragged its feet in implementing the normalisation clauses of the peace treaty, and Mr. Sadat appears to have accepted the principle that to create the basis of mutual trusl which he sees as fundamental tn get the autonomy talks going again, he will have to offer some concessions, however minimal, on normalisation.

The Israelis complain particularly that Egypt has not done cnough to facilitate trade and cultural exchanges between the two countries.

In agreeing lasl week to re-open the autonomy talks in principle, Egyptian officials stress the necessity to create an atmosphere of "mutual trust aod friendship," and made it clear that removing obstacles to the peace process was a vital part of this. Mr. James Leonard, a U.S. special envoy, is due in Cairo tomorrow to discuss ways of removing these "nbstacles."

Reuter adds from Tel Aviv: Mr. Yitzhak Rabin, the former Israeli Prime Minister, said yesterday that President Sadat was firmly opposed tn King Hussein of Jordan joining the present Middle East peace talks.

Women bear the burden of Asia's development

BY DAVIO TONGE, DIPLOMATIC CORRESPONDENT

"WOMEN HOLD up half the sky," Mao Tse-tung once said, hut a report* published today shows that in Asia women live shorter than men, are the first to lose their jobs during a recession, and have often suffered rather than gained from development.

The World Bank bas recently emphasised that expenditure on women's education is one of the best investments a country can make to create a healthy, innovative, productive labour force.

But the report—Women in Asia—emphasises that in most Asian countries far fewer women than men are enrolled in education. This is particularly so in Moslem countrfes such as Bangladesh and Pakistan, just as it used to be the case in Korea and China in the distant days when the Confucian doctrine of the "three obediences" prevailed—obedience to father while unmarried, to husband when married and to son when widowed.

The rich diversity of the heritages of Asia is reflected io the wide variations in the share of women in the labour force. In Japan, half the women work. In South Korea, 39 per cent are economically active, aod in Sri Lanka 27 per cent. But the figure falls to about 10 per cent in India and about 1 per cent in Pakistan and Bangladesh.

To some extent, these figures reflect the way that economic activity is defined. But what the report finds alarming is that the process of modernisation has displaced womeo from their traditional work in agrfculture and cottage industry. In Iodia, land reform has cost female cultivators the land they leased aod mechanisation has caused them to lose jobs

On the whole the status of women has improved. But legislation tends to be in advance of public attitudes and in rural areas in particular, a woman's lot is wretched.

In Bangladesh, for instance, a woman can expect to have a dozen pregnancies. In some countries like Indooesia, the Government is committed to equal pay for women.

About China, the report says that in the early 1950s, the "family womao" was ostracised. "But in 1955, there was an unemployment crisis and women were glorified again

"In 1958, the Great Leap Forward was launched, and women were needed for production. But by 1962 the place of women was once more in the home. Ideology kept them there until the advent of the Cultural Revolution initiated yet another shift."

*"Women in Asio, *Minority Rights Group, London, edited by Ms. Rounaq Jahon,* 75p.*


Glyn Genin

For many women in Asia, life remains a struggle to survive.

Housing crisis in Malaysia

BY WONG SULONG IN KUALA LUMPUR

THE Malaysian Government's policy of a "house-owning democracy," aimed at producing a stable society unsusceptible to Communist subversion, is creating a housing crisis, with prices soaring to unrealistic levels.

The authorities' liberal lending policies, coupled with their inability to overcome construction hottlenecks, has led to a pent-up demand for houses.

It is estimated that at present a shortage of 300,000 housing units exists in the country, and the shortage will grow, unless effective measures are taken to expand building capacity.

House prices have risen five to six times in the past decade. The Treasury's Valuation Division estimates that prices nf double-slorey terrace houses in the Federal Territory and surrounding areas are rising by M$3.000-4.000 (£600-800) a month—the pay of a senior executive.

Prices have moved completely out of line with rents, reflecting that people are buying for capital gains.

Public housing programmes are off target, particularly for low cost housing, where the need is greatest.

Under the Third Malaysia Plan (1976-80), the Government was expected to build 241,000 housing units, hut by the end of 1978, only 27 per cent of this target had been met.

Developers argue prices are high because of red tape and rising prices of bulldiog materials and labour. It takes an average of three years to get a housing project approved, and many of the actions of state Governmeots have the effect of delaying construction and pushing up prices.

Carter gamble on three-way TV debates

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT CARTER'S apparent determination to boycott any initial televised debate which includes Mr. John Anderson, the Independent candidate, could constitute the most crucial tactical gamble he has yet taken in his campaign for re-election.

It is possible that representatives of Mr. Carter, Mr. Ronald Reagan, the Republican nominee and Mr. Anderson will still forge a compromise that will permit a direct debate confrontation between the two main party candidates, as well as a triangular one.

But, for the President, the bottom line of his tactics is to avoid anything which enhances the legitimacy of Mr. Anderson's effort. All Mr. Carter's in-house polls tell him that a respectable showing by Mr. Anderson in the November General Election will do him much more damage than it will Mr. Reagan.

Mr. Carter also hopes that the electorate has short memories—that what is an undeniably hot issue in the middle of September will have faded a month later, especially if, as has appeared likely, the Anderson campaign continues to fall under its own

Even Mr. Carter's strategists concede that refusal to take part in debates—leaving Mr. Reagan and Mr. Anderson pointedly talking to "an empty chair" in the first planned session in Baltimore on September 21—is going to result in much unfavourable publicity.

It was one thing to back out of an earlier commitment to debate Senator Edward Kennedy in the course of the democratic primaries after the tide had turned in Mr. Carter's favour, but entirely another to shun Mr. Reagan, not to mention Mr. Anderson, in a close general election with so much of the population both unpersuaded by the alternatives on offer and undecided on whom to support.

Mr. Reagan, whose own campaign has been afflicted by mistakes in the last two weeks, has a painful recollection of an earlier tactical decision to stay above the Republican throng.

His absence from the initial candidates' debate in Iowa in January contributed to his upset defeat in the state's caucuses: his appearance at subsequent debates remedied the omission.

Moreover, Mr. Reagan will be well positioned to point out to the public that, for the second time in a year, the President will be backing down from a previous promise to debate—adding this to the long litany of broken Carter promises that are a feature of Mr. Reagan's campaign speeches.

After a dismal late summer, Mr. Anderson has had a decent week—securing post-Election Federal funding, winning the endorsement of New York's Liberal Party, thus ensuring that his name will appear on the ballot in that important state, and now receiving the imprimatur of the League of Women Voters as a serious Presidential candidate.

Without the controversy surrounding the debates, Mr. Carter had reason to be satisfied with the progress of the campaign. Mr. Reagan's ineptitudes and Mr. Anderson's relative invisibility, combined with the professionally directed and thorough nature of his own effort, appeared to have shortened the odds against his re-election. Many national polls put him almost level with Mr. Reagan, with Mr. Anderson slipping, and the momentum seemed on his side.

This has been jeopardised, though Mr. Carter's advisers seem convinced the setback will be brief. But at the same time, signs of order are more evident in the Reagan camp—the candidate is being kept under careful wraps, confining himself to set speeches on economic issues and avoiding, for the moment, the pitfalls that his extemporaneous comments have dug for him.

Leading Republican loses nomination

By David Buchan in Washington

SENATOR JACOB JAVITS, the Senior Republican on the Senate Foreign Relations Committee, lost his party's nomination for a fifth six-year term, in the biggest upset of the primary elections which 13 states held on Tuesday.

The 76-year-old Senator, whose poor health was made issue in the bitter primary campaign, said he will fight on to the November General Election on the ticket of the splinter Liberal Party which has endorsed him. He will face his Republican Party victor, Mr. Alphonse d'Amato, a virtually unknown local government official, and representative Elizabeth Holtzmann who won the Democratic nomination.

Senator Javits's decision to fight on under the New York state Liberal Party banner may be good for Mr. John Anderson, the Independent candidate for the Presidency. Mr. Anderson is in the process of being endorsed for the November ballot by the New York liberals, and should gain from sharing the same ticket with the widely known Senator.

But the obscure Mr. d'Amato may yet wind up winner, because Miss Holtzmann and Senator Javits appeal to the same left-leaning constituency. A similar split of centre-left votes put Mr. James Buckley (brother of the fashionable conservative columnist Mr. William Buckley) in the New York Senate seat from 1970 to 1976—and this week Mr. Buckley made a surprising comeback to win the Republican primary in adjacent Connecticut.

If Mr. Buckley was to win the Connecticut Senate seat in November, he would be the first Senator to have represented more than one state since 1913 when senators had to be popularly elected.

Senator Javits is one of the last of the breed of liberal East Coast Republicans.

Mary Helen Spooner, in Santiago, reports on today's vote on a new Chilean constitution

'Yes' or 'no' for 16 more years of Pinochet

A PEDESTRIAN shopping mall in Santiago has been littered with political pamphlets almost every night. The pamphlets, which often include caricatures of Gen. Augusto Pinochet, Chile's President, calls for a "No" vote in today's plebiscite on a proposed new constitution. The pamphleteers have been chased away by club-swinging police.

Such scenes have not been a common sight for several years in Chile, which today marks the seventh anniversary of Gen. Pinochet's Government. The publication of a new constitution, which would increase Gen. Pinochet's powers and possibly prolong his rule for 16 more years, and the plebiscite have generated open public controversy and debate.

The Government has spent large, undisclosed amounts of money on television, radio, newspaper and magazine advertisements as well as on billboard posters calling for a "Yes" vote.

The opposition has few resources and operates under far greater restrictions.

In the halls of Santiago's new subway, a young man bearing a poster stood defiently next to a glass-enclosed advertisement urging Chileans to approve the "constitution of freedom." The young man's hand-lettered poster bore an arrow pointing to the Government advertisement and said: "We do not have the money for such propaganda—but we will still vote 'No'."

Gen. Pinochet and his supporters have given dire warnings about what might happen in Chile should the "no" votes win, although the Government has never clearly stated what it would do.

Most of the government propaganda recalls the chaos before the overthrow of Dr. Salvador Allende, Chile's last civilian President. A vote in favour of the new constitution, according to Gen. Pinochet's supporters, would ensure that Chile did not return to the days of food shortages, politically motivated violence and three-figure inflation.

Sr. Alvaro Bardon, the Central Bank president, has said that failure to approve the new constitution would result in economic catastrophe because of the political uncertainty which would follow.

He admitted, however, that Chile's monetary situation was completely normal, and that there had been no rush to change Chilean pesos into foreign currency.

A 2 per cent increase in the amount of dollars being bought had been reported earlier.

Sr. Eduardo Frei, the former President who leads the opposition, has been allowed to speak publicly against the new constitution, although his views did not receive the attention in Chile's pro-government press which supporters of the constitution received. He has also had to endure the embarrassment of having his past political failures resurrected and publicised.

His staunchly anti-Communist Christian Democratic Party led the opposition to the Socialist President Allende from 1970 to 1973, and even supported Dr. Allende's removal.

Pamphlets urging a "No" vote float into a Santiago street.

Yet Gen. Pinochet's regime has come to equate the Christian Democrats with original sin: their tolerance of dissenting opinion made it possible for a left-wing politician like Dr. Allende to come to power. Persecution of Chile's Christian Democrats began towards the end of 1977, in the face of the party's persistent advocacy of a return to civilian democracy. With the leaders of the Chilean left imprisoned, exiled or buried in the violent aftermath of the 1973 coup, the Christian Democrats found they were next in line.

The Christian Democrats also called for a "No" vote in the 1978 plebiscite in which Gen. Pinochet pitted himself against a United Nations resolution condemning Chile for violating human rights.

The wording equated support of Gen. Pinochet with patriotism and the defence of Chilean sovereignty. Support of the United Nations resolution was equated with foreign interference in domestic affairs and a lack of patriotism. The motion was passed by a considerable margin.

But it is very unclear how Chileans will vote in today's plebiscite. The Pinochet regime's main claim to support is that it ousted Dr. Allende, and thus saved Chile from communism. Its support therefore depends largely on the extent to which Chileans remember the Allende years, and how they remember them.

The transition period in the new constitutional plan ensures that Gen. Pinochet would remain in power for another eight years, and leave open the possibility that he could succeed himself for another eight years. If that happened, Chile would have a one-man dictatorship lasting even longer than that of Spain's Gen. Francisco Franco.

Many Chileans, even anti-Communist conservatives, are uncomfortable with that prospect.

"For years we've simply viewed this regime as transitory, a recuperation from the Allende period," a woman from a well-known Chilean upper class family said recently.

"We thought we would have Pinochet around for another year or two. But now, if the new constitution is passed, Chile will in essence cease to be Chile."

U.S. bid to avoid embarrassment over PLO

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE UNITED STATES was yesterday embarking on a process of discreet but "muscular" diplomacy to try to ensure that President Jimmy Carter is not saddled with domestic political embarrassment by the admission of the Palestine Liberation Organisation (PLO) as an observer at this month's annual meeting of the International Monetary Fund and World Bank in Washington.

The U.S. has secured an extra 10 days, until September 19, to muster support for its proposition that no more observers be admitted to the annual meeting and that new guidelines be drawn up by March 30 next year covering the whole question of observers, a technical subject with ramifications far beyond the PLO issue.

Opinions in the two international institutions were sharply divided on whether the U.S. effort would succeed. Its goal is to obtain a "quorum" whereby 50 per cent of the governors — in effect national governments—commanding two-thirds of the weighted vote send replies on the U.S. motion.

There is little doubt that if the U.S. succeeds in getting a quorum, its resolution will pass. But if it cannot—and there are reports that it was only half way to its goal when it requested the extension of the deadline—then discretion falls into the hands of Mr. Amin Jamal, the Tanzanian Finance Minister, who will be chairman of the meetings and who is on record as favouring the PLO's admission.

But, even here, there is dispute on how far-reaching is Mr. Jamal's authority. Complex IMF bye-laws require him to act in consultation with the executive boards of the IMF and the Bank, but it is not clear whether this means they must agree in advance to whatever he proposes.

President Carter's campaign officials, alive to the possible adverse consequences of handing the PLO a propaganda victory in the U.S. capital just five weeks before the Presidential election, are understood to have ordered the Treasury to move might and main to prevent the issue from coming to a head. The West African bloc of nations are believed to be a particular focus of U.S. diplomatic efforts.

Inside the IMF and Bank, there is perceptible resentment over the fact that the two ostensibly non-political organisations should be subject to what is often described as "blackmail" by the Arab countries.

But there is the possibility that the PLO issue will intrude on the normally ordered proceedings of the annual meetings as it is at least conceivable that the matter will come up for debate on the floor, which would be a novel departure from past practice and may cause some embarrassment to representatives of a number of Governments, especially in Europe.

Iran statement stirs hope on hostages

BY PATRICK COCKBURN

MR. MOHAMMED ALI RAJAI, Iran's newly appointed Prime Minister, has brought to the fore the issue of the U.S. diplomats held hostage in Tehran by saying on Monday night that if the U.S. "sincerely repented" its past behaviour, Iran was willing to talk. But, he warned: "We do not compromise or make deals."

Diplomats do not consider that the speech marks any significant change in the Iranian position on the hostages, and it is doubtful if Mr. Rajai, or any other single political leader, with the exception of Ayatollah Khomeini, has sufficient power in Iran to start negotiations on the release of the diplomats.

Officials in Washington were still studying Mr. Rajai's speech last night, but Mr. Edmund Muskie, the U.S. Secretary of State, suggested that militant flourishes in the statement could be for internal consumption in Iran, designed to reassure the militant clergy in Qom.

U.S. diplomats see some grounds for optimism in the fact that for the first time Mr. Rajai has responded to a letter sent to him by Mr. Muskie on August 20 appealing "for a fresh look at the problems between Iran and the United States."

Ayatollah Khomeini said at the beginning of the year that the fate of the hostages must be decided by the Iranian Parliament. But so long as deputies are involved in the prolonged wrangling over the choice of a new cabinet, it is unlikely that they will move to consider the issue of the U.S. hostages seriously.

Setback for plan to sell nuclear fuel to India

BY OUR WASHINGTON STAFF

COMMITTEES in both the U.S. Senate and the House of Representatives yesterday voted to block the Carter Administration's plan to sell India 38 tons of nuclear fuel.

The action by the Foreign Affairs Committees in both houses must be supported on the floor of the Senate and House if the sale is to be vetoed.

Yesterday's votes were a considerable setback to the Carter Administration and to Mr. Edmund Muskie, the Secretary of State, who personally urged Senators yesterday to approve the controversial nuclear shipment.

At stake is not only President Jimmy Carter's political clout with Congress in the midst of the election campaign, but also the future effectiveness of U.S. policy to stem the spread of nuclear weapons and U.S. relations with India and Pakistan.

Six years ago, India exploded what it called a peaceful nuclear device and has rebuffed persistent pressure from the U.S. that Indian nuclear facilities should be opened for international inspection.

But the Carter Administration has argued that the sale of the 38 tons of uranium to the Tarapur reactor near Bombay should go ahead, as a "one time" exception to the 1978 U.S. law that bars shipments of nuclear material to countries which do not accept outside supervision or safeguards.

Canadian agents search two newspaper offices

TORONTO — Canadian Federal monopoly investigators searched the head offices of the country's two main newspaper chains, Southam and Thomson Newspapers, on Tuesday and seized business records.

The raids, carried out under the Combines Investigation Act, were the start of a formal inquiry into events surrounding the closure last month of the Thomson-owned Ottawa Journal and the Southam-owned Winnipeg Tribune, and the sale by Thomson of its holdings in Pacific Press and the Montreal Gazette to Southam.

The Bureau of Competition Policy said it was investigating under two sections of the act to determine whether there was a conspiracy unduly to lessen competition, and whether there was a monopoly operated to the detriment of the public.

Reuter

Australia denies Singapore criticism

By Patricia Newby in Canberra

Mr. Doug Anthony: "Singapore surplus."

MR. DOUG ANTHONY, Australia's deputy Prime Minister and Minister for Trade and Resources, said yesterday it was "quite unrealistic" to compare Australia's trade policies with those of the EEC.

He was replying to criticism by Mr. Lee Kuan Yew, the Singapore Prime Minister, that Australia's policies were "more restrictive, conservativa and backward-looking than any of the EEC countries."

This was "just not true" and the facts made nonsense of such a claim, Mr. Anthony said.

Mr. Lee's criticism of Australia's protection of manufactured goods was made to Mr. Malcolm Fraser, the Australian Premier, at the Commonwealth Heads of Government regional meeting in New Delhi earlier in the week.

Mr. Anthony said yesterday that sales to Australia by the Association of South-East Asian Nations (ASEAN) grew by 27 per cent a year between 1973-74 and 1978-79 compared with a growth rate of 17.7 per cent in total Australian imports.

In tbe financial year 1979-80, which ended on June 30, imports from ASEAN rose 57 per cent on the previous year to just over $A1bn (£485m). Australian exports to ASEAN countries are $1.4bn.

Ironically, Mr. Anthony claims Singapore has a trade surplus with Australia.

Mr. Lee's attack on Australian tariffs comes hard on the beels of the Australian Government's controversial decision not to significantly reduce the tariffs and quotas applying to textiles, footwear and clothing, and on the eve of Mr. Anthony's departure for negotiations with the EEC over the proposed sheep meat regime.

The Government, which is facing an election within the next few months said it could not accept the likely unemployment which would result from lowering tariffs.

The decision, partly made at Mr. Fraser's insistence, flew in the face of advice from its tariff body, the Industries Assistance Commission, and the Treasury. Both hava warned the Government that unless tariffs are reduced pressure will mount on domestic inflation and the exchange rate as capital flows in for the expected resources boom of the 1980s with its subsequent boost to export income.

Mr. Anthony, who has bitterly criticised EEC protectionist policies has threatened to divert up to A$1bn in trade away from the EEC if it refuses in next week'a Brussels talks to give Australia a guarantee that the sheep meat regime will not lead to subsidised exports.

Aostralia fears disruption from subsidised EEC sheep meat to its growing and lucrative trade in live sheep and chilled meat in tha Middle East—markets which Australia says it developed to compensate for tha loss of the European market.

David Buchan in Washington examines the annual report of the International Finance Corporation

Fears of restrictions on Third World borrowing

CENTRAL BANKS and Governments should not set "high-handed or restrictive" limits on the Euromarkets which would make it barder for Third World countries to borrow private capital.

This plea was made by Mr. Moeen Qureshi, executive vice-president of the International Finance Corporation, when we unveiled the Corporation's report for the year ended June 30, published today. The Corporation, an affiliate of the World Bank, channels investment into developing countries' private sectors.

Corporation officials explained their concern that the present discussions between industrialised rich countries, including the U.S. and West Germany, on ways to prevent Euromarket operations inflating their domestic money supplies or possibly jeopardising the soundness of their banking systems, could restrict access by Third World borrowers.

The report notes that private finance is the crutch which developing countries must lean on to support their balance-of-payments deficits, swollen again by increased oil prices. Private international capital provided 70 per cent of gross new loan commitments to Third World borrowers in 1979—$75bn.

The authorities in industrial countries should "bear in mind international development objectives in their exercise of domestic mooctary and banking regulatory policies," the report says, although Corporation officials admit this may be wishful thinking.

The Corporation's private sector investment totalled $681m in 1979-80—a big increase from the previous year's total of $425m, Mr. Qureshi proudly ooted. Half the 55 investment projects approved in the past year were in the poorest countries with a gross national product of less than $626 per capita a year.

The Corporation, which borrows mooey from the capital markets or its parent, the World Bank, aims and claims to act as a catalyst for stimulating much larger amounts of private-sector investment in the Third World. The total cost of projects in which the Corporation participated last year was $2.37bn.

This year's report suggests that wealthy oil-producing countries might find it in their own ioterests to join the Corporation in co-fioancing projects in the poorer Third World, and "by taking on some of the related jovestment risks, to share io the potential gains."

Private capital flows to the Third World are stagnating because of financial and inflation uncertainties closer to bome, the report says. Ironically, this has happened when "many major developing countries have receotly adopted a much more welcoming attitude to foreign private investment."

Mr. Qureshi, the Corporation's Pakistani director, who is retiring at the end of this year, noted that lately in Latin America governments had been drifting to the right, becoming more self-confident and pragmatic in dealing with big companies; that in Asia, the free-enterprise success stories of Taiwan and South Korea bad been imitated elsewhere; that in India, better treatment of the private sector begun under the previous government of Mr. Morarji Desai was being continued under Mrs. Indira Gandhi; that in Africa, where state enterprises had had a sorry track record, more emphasis was being put on joint ventures; and that China was showing strong interest in finance from the Corporation.

Walker on S. America mission

By Hugh O'Shaughnessy

BRITAIN is seeking a close and permanent liaison with Argentina on the question of south Atlantic and Falkland Island fisheries.

This was stated by Mr. Peter Walker, the Minister of Agriculture, Fisheries and Food, who leaves London tomorrow for visits to Venezuela and Argentina.

Mr. Walker said he saw very large export opportunities for British companies in South America. "Venezuela and Argentina are two countries with a dazzling future in agriculture and food," he added. "It ia absurd that we provide only abont 3 per cent of Venezuelan imports and less than 5 per cent of the imports of Argentina."

The Minister would not ba drawn about the attitude he would assume towards criticism by South American governments of the EEC's Common Agricultural Policy. In the past various Latin American Governments have been hostile to what they see as Enropean protectionism.

Accompanying Mr. Walker on his visits will be representatives of Imperial Foods International Technical Services, Rowntree Mackintosb, Sir Alexander Gibb and Partners, Wolseley Hughes and Tate and Lyle.

New Trade division to consolidate back-up for exporters

BY PAUL CHEESERIGHT

THE GOVERNMENT has atarted a new Projects and Exports Policy Division (PEP) within the Department of Trade, aiming to provide a more integrated system of official support for exporters.

The Division, who head is Mr. Christopher Benjamin, has been in existence for a month. At this stage it is a skeleton, but flesh is appearing around the bones as officials take up new jobs and as consideration of how to fulfil recently received terms of reference goes ahead.

The basic aim of PEP is specifically to bring together Government services in support of companies trying to wio contracts overseas for major capital projects and, more generally, to offer advice on export policy.

How this will be done is not so far clear. In the first instance it seems likely that PEP will start a dialogue with the major companies in the field and secondly to examine the practices of competitors like the Jspanese, the West Germans and the French.

The main focus of its activities will be directed towards the Third World. However open the markets may appear to be in the industrialised countries for project contracts, in practice domestic companies obtain preference.

Major capital project work will be most readily available in countries with a low economic threshold, but competition is severe, especially in countries whose energy or metal resources provide an additiooal incentive for, say, France or Japan, to establish a presence.

Such competitors have, in the past, exhibited a degree of financial and diplomatic flexibility in the winning of capital projects, which bas oot always been preseot in UK efforts.

PEP, in essence, could be the instrument for achieving a similar UK flexibility. It could act like a ginger group, nudging official support like that from the Export Credits Guarantee Department (ECGD) into line and chivvying the banks into less rigorous leodiog policies.

But to do this PEP will bave to carve its own niche in the bureaucracy in the face of some reservations about whether UK companies ought in any case to be chasiog after prestigious projects where the margin of profit may be slender or non-existent.

The new division is a hybrid, created out of the Department of Trade's Export Development Division aod the Department of Industry's International Industrial and Commercial Policy Division.

PEP will be responsible within the Department of Trade to Mr. John Caines, wbo has also been appointed as chief exeentive of the BOTB, a post which be took np at the beginning of this week.

This suggests that the export promotion services of the BOTB will tend to become more closely aligned with tha policy work undertaken in the Departmeot of Trade, especially that which may be handled by PEP.

At least three organisations are, thus, being brought directly to bear on the capital projects busines overseas, and it may be that this greater concentration of effort in one area may spread into otber sectors of the export business.

Move to ban flags of convenience

By William Hall in Geneva

PRESSURE IS building np on the developed countries to drop their opposition to the phasing ont of flags of convenience shipping fleets. They are being asked by developing countries to investigate the barriers to entry into bulk shipping imposed by multinational corporations.

Only two days before the end of the ninth session of the committee on shipping of the United Nations' Conference on Trade and Development (UNCTAD) in Geneva, a number of developing countries have warned that they will take unilateral action to ban flag of convenience ships, if the developed countries do not make any concessions to their demands.

A number of countries, such as Kuwait, have already taken unilateral action to increase their share of bulk shipping.

The future of open registry shipping, the technical term for flags of convenience, has emerged as one of the most contentious issues at the committee on shipping, which last met in 1977.

Developing countries represented by the Group of 77 own under 10 per cent of world shipping, and argue that the growth of flags of convenience shipping fleets, which now accounts for one-third of world shipping, has damaged the growth of their own fleets.

Tha Group of 77, with the exception of Liberia and Panama, has drafted a resolution calling for the phasing ont of open registries within a "reasonable period of time."

The developed countries with the exception of France, bave drafted a counter-resolution calling for more research and arguing that the case for phasing out has not yet been made.

The developing countries have a majority on the committee on shipping and have warned that, unless opposition is watered down they will take a majority decision encouraging countries to take unilateral action against flag of convenience ships. This would lead to chaos in international shipping.

The developing countries also bave drafted a resolution calling for a 50 per cent share in the transportation of all cargoes to and from developing countries.

Mannesmann group in E. German deal

BY ROGER BOYES IN BONN

MANNESMANN Anlagenbau, the West German industrial plant specialist, will head a consortium which has won a DM 80m (£19m) contract for the planning, supply and delivery of a magnesium chloride processing plant aimed at boosting East Germany's potash fertiliser industry.

The contract is one of the first to emerge from the Liepzig Trade Fair which has, according to the West German Chamber of Commerce, proved somewhat disappointing for many West German companies.

The consortium of German companies, which includes Kloeckner Industrieanlagen and Standard - Messo Duisburg Gesellschaft fuer Chemietechnik, will undertake the project which will have an annual processing capacity of 500,000 tonnes of magnesium chloride-lye.

The Leipzig Fair, which ended last week, disclosed, according to the Chamber of Commerce, the considerable lack of price flexibility on the part of East German buyers. West German exhibitors also complained of the continuing emphasis on compensation business in almost all East German trade enquiries. In general, only those deals specifically designed to meet East German planning needs—such as the Mannesmann plant—have been spared the tough demands for a compensation element.

However, East German purchasing agencies are showing more understanding of the problems facing small businesses in West Germany and are offering a broader palette of products which could be taken in compensation.

Exhibitors from iron, steel and chemicals sectors reported weaker business, partly because the East Germans seem to be turning for price reasons to non-EEC steel prodncers and partly because East Germany is rapidly expanding its own chemical industrial infrastructure.

Technology deal with unions opposed

By John Elliott, Industrial Editor

OPPOSITION IS growing in the Confederation of British Industry to a proposed agreement with the TUC dealing with the introduction of new technology in individual companies.

The agreement may be rejected by next month's meeting of the confederation's council even though its final draft was ratified last week at the annual Trades Union Congress.

Such a rejection, however, could upset the harmony of talks taking place on a regular basis between the two organisations. The implications of such an upset will have to be considered in the coming weeks by Sir Ray Pennock, the CBI president, and Sir Terence Beckett, the new director-general, who are in favour of developing contacts with the TUC.

The reactions of companies to the draft were considered yesterday by the CBI's employment policy committee. A decision was deferred till next month when it is thought there *is only a 50-50 chance of* obtaining approval.

The agreement is the first to be *struck* between the CBI and TUC for about eight years and lays down the consultative and other arrangements that companies should adopt before introducing new technology.

It stresses the need for technological change and calls for an "active and strategic response" from the Government. Unions and employers should establish "mechanisms and procedures" to facilitate change.

The need to involve all employees, not just unions, has been included at the CBI's insistence and companies are told that they should provide easy access to relevant information.

"Decisions on technological change will require full consultation before any decision to change production systems is taken," says the draft. The need for joint machinery is emphasised and an "*open style* of management" is recommended.

Employers should "make every effort to provide security of employment for their employees, with adequate opportunities to acquire new skills appropriate to the new technologies."

Working conditions for manual workers and staff should be harmonised and the opportunity *should be taken* to "break away from low productivity, systematic overtime and low pay."

Almost all these suggestions would be regarded as good practice by many companies and by most industrial relations experts. For this reason the CBI's staff agreed the final draft even though they warned the TUC from the start that there would be considerable opposition.

There is a strong body of opinion in the CBI which believes that the existence *of* a joint agreement *could do more* harm than good. It is argued that the agreement would provide a platform on which trade union demands could be built in individual companies. Union negotiators would also demand consultation and negotiation on every change in production methods, not *just* those *involving* the most dramatic technological developments.

It *is argued that* this could slow down the introduction changes needed quickly by companies and that it should be left to individual managements and unions to work out their own arrangements without a formal joint guide from the CBI and TUC.

On the other hand, there is *also* a *strong* lobby arguing that the draft is a useful statement of good practice and will help to encourage companies to develop systems of consultation with their employees.

Harris off Board but in control at Westward

BY RAYMOND HUGHES

THE Alice in Wonderland *saga* of Westward Television continued yesterday with six of the men who will head the company's fight to retain the South-West franchise being voted off the Board.

By predictably large majorities—about 40-1—a shareholders' meeting called by Mr. Peter Cadbury (right) voted to replace Lord Harris of Greenwich (left) and his allies with three Cadbury supporters.

The Harris faction boycotted the meeting, which it claimed was invalid.

At a Press conference, held an hour earlier at a hotel at Paddington Station, the West Country rail terminus, Lord Harris repeated his assertion that he and his supporters would still be in control of the company.

He predicted "certain death" for Westward if Mr. Cadbury regained control.

Mr. Cadbury, who overnight changed *his* mind about not attending the shareholders' meeting—"I was told I had to come"—confirmed that under an agreement reached on Tuesday, Lord Harris and the present Board would remain in day-to-day control of the company until the shareholders' meeting called by Lord Harris for October 17, at which precisely the same resolutions to reconstitute the Board will be considered.

That would mean that the Harris faction would represent Westward at a meeting at Plymouth on September 23 at which the three rival consortia competing for the South-West franchise will present themselves to the public.

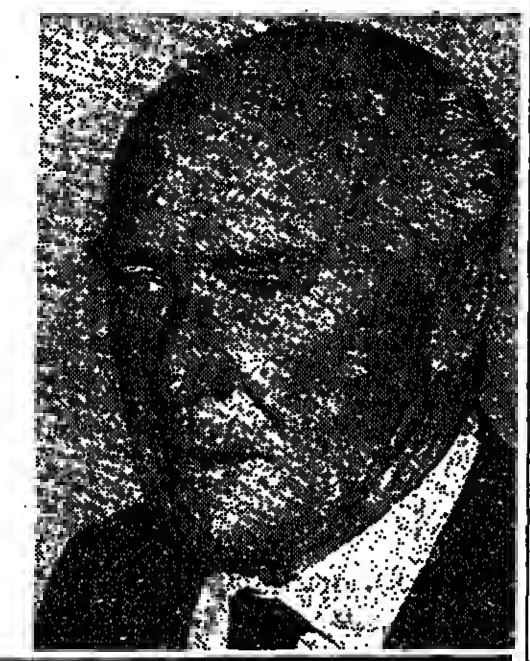
Mr. Cadbury said there would be no attempt to replace Lord Harris before October 17.

The handful of shareholders present—who were vastly outnumbered by the Press—together with proxies given to Mr. Cadbury removed Lord Harris by 119,140 votes to 3,370. Between 115,000 and 116,000 votes were cast against the other Harris directors, the figures being reversed for the appointment of the three Cadbury supporters to the Board.

Television playwright Lord Willis, a shareholder, voiced admiring support for Mr. Cadbury and suggested that Lord Harris should resign.

The only note of dissent in an otherwise wholly pro-Cadbury meeting came from Exeter company director Mr. John Wheatley, who holds 1,670 Westward shares.

Predicting that the Boardroom dispute would cost Westward its franchise, Mr. Wheatley rebuked Mr. Cadbury for carrying on "a private vendetta" against the Devon and Cornwall *Chief Constable* and urged *him*, in the company's interests, to "fade into the background."



Chubb to stop cash register production

By Maurice Samuelson

CHUBB and Son is to stop producing cash registers because of falling orders which have left it with only 5 per cent of the UK market. It was the last *British company making them.*

The decision was taken despite appeals from the *workforce to seek support* from the Government.

The group's main Board is understood to have decided at its meeting in London yesterday that there was no point in prolonging production at the Chubb Cash factory at Hollingbury, Brighton.

Despite union claims that many more jobs would be at stake, the company insists that redundancies will not exceed 400. It *will also* retain its country-wide service organisation.

The last-minute appeal against the closure of the cash register division was made just before the Board meeting by Mr. Chris Darke, a divisional organiser of TASS, the staff section of the engineering union, and Mr Andrew Bowden, Tory MP for Brighton, Kemptown.

Mr. Darke told *Mr. William* Randall, Chubb managing director, that the union wanted to make a joint approach with the company for government aid. However, Mr. Randall told them there had already been close contacts with the Industry Department which had explored the chances of financial backing.

Mr. Darke has also warned that the workers in the factory's profitable cash-dispenser division might take industrial action to save jobs in the cash register sector. The factory is working on a £4m order from Swedish banks for dispensers and has other major orders in the pipeline.

In Brighton last night, Mr. John Egar, Chubb Cash's chairman, said any disruption of production of cash dispensers would have a "serious effect on jobs and would create another crisis."

The company had for some time been switching staff from the cash register division to the dispenser production line and this would go on, he said.

Yesterday's decision, which *will be put formally to the workforce* this morning, had been predicted since March when the company reported operating losses in the previous year of £4.7m.

This compared with the £1.1m which Chubb paid in 1976 for Gross, the cash register company, which then had 22 per cent of the market.

But Gross itself was already ailing and Chubb says that shortly after the purchase it found that the new electronic cash register, which it inherited from Gross, did not work.

It also moved into the market at a time when it was still *switching from partly mechanical* to purely electronic products, in which overseas companies had a head start.

Chubb then set out to develop its own electronic cash register, but the project hit a number of snags.

One of the proposals for saving Chubb's cash register division was to form a link up with a Japanese manufacturer. But this was not considered seriously.

● Ten years ago there were six big suppliers of cash registers, *including* Gross, NCR, *the* market leader, Avery's, and Sweda. Today, there are about 40 companies, including IBM and ICL at the top of the range, and Japanese companies like Casio and Sharp selling cheap products.

● More than 150 workers are facing redundancy at the Wednesbury Tube factory in Bilston, Wolverhampton. The company, part of the Glynwed group, is *making the cuts in its 1,000*-strong workforce because of the drop in orders.

Vacant industrial lots increase by 30%

BY JAMES McDONALD

THE RECESSION has been partly *responsible for* a *30 per* cent jump over the past six months in factory and warehouse space for sale or to let in England and Wales, according to a survey by King and Company, chartered surveyors.

Since April, the warehousing and factory space available has risen from 58.3m sq ft to 75.9m sq ft — the highest level since April 1977 and close to the very high figures of 1975-76, which reflected the previous economic slump.

Warehousing available has risen from 22.4m sq ft in April to 29.8m sq ft, while vacant factory space has expanded from 35.8m to 46.8m sq ft.

The most significant increases have been, predictably, in areas of high *unemployment*: up *from* 7.6m to 12.2m sq ft in the West Midlands: and from 6.1m to 10.4m sq ft in Yorkshire and the North Midlands.

London and the Home Counties have more space available than any other area in the survey with 24.9m sq ft compared *with 19.5m* sq ft in April, but the increase is within the national average. Only the East Midlands shows a drop: from 2.3m to 2.1m sq ft.

Not all the increases are a result of the recession, says the survey. "Part of the substantial increase can be attributed to specific large properties coming on the market, such as the Ordnance depots at Hartlebury and Kidderminster — both over 1m sq ft."

Another reason is the completion of new warehousing following the rise in construction started in the last 18 months, and newly refurbished premises.

The survey does not reflect the part closure of heavy *industrial* concerns such as steelworks, where property cannot be categorised easily as factory or warehouse. Nor does it include small units of less than 5,000 sq ft where there has been a considerable increase in development.

Construction output down

BY ROBIN PAULEY

OUTPUT by the construction *industry was* 5 *per* cent lower in the second quarter of 1980 than in the first. The value of new work during the second quarter, was £1.7bn at 1975 prices. Repair and maintenance work brings the total to £2.77bn.

The figures for the previous quarter were £1.85bn and £2.91bn respectively according to Environment Department statistics published yesterday.

New work output in the public housing sector in the second quarter was 10 per cent down on the first quarter and 17 per cent down on the *second quarter* of last year. New private housing output was 11 per *cent* down on the first quarter and 3 per cent lower than the second quarter last year.

New private industrial output was 11 per cent down on the first quarter and 3 per cent down on the second quarter of 1979.

The number of workers employed in the construction industry, based on a seasonally adjusted index, was 1 per cent lower in July than in April and 3 per cent lower than in July 1979. The index (1975=100) *now stands* at 92.9.

Building guarantee considered

Financial Times Reporter

A SCHEME to guarantee small building work carried out by members directly for clients is to be considered by *the national council of the* National Federation of Building Trades Employers. The *council yesterday* approved in principle the preparation of a scheme, which would cover such small works as general maintenance, improvements and alterations.

Challis appointment

DR. ANTHONY CHALLIS *has* been *appointed* chief scientist at the Department of Energy, in succession to Sir Hermann Bondi, who is retiring from the post at the end of this month.

Buy British plea

MR. PETER WALKER, Agriculture Minister, yesterday backed a move by the Fine Fare supermarket chain to encourage shoppers to buy British foods. "*Last year*, he said, Britain imported more than £3bn worth of foodstuffs "*which we could* have produced ourselves."

Foreign currency

PORTALS, the UK company which makes the paper for Britain's bank notes, is to set up its first paper mill outside the UK, at a cost of £6.25m.

Parcels sorting

A £5½m computerised parcels sorting centre was opened yesterday by Wilkinson Transport. It will handle up to 200,000 packages a day.

Traffic will be returned from the centre in Nuneaton, Warwickshire, to 16 local depots for delivery within 24 hours. The workforce *is* 300.

Abbey National rival to 'granny bond' plan

BY TIM DICKSON

AN IMMEDIATE riposte to the Government's new index-linked National Savings certificate is being prepared by the Abbey National Building Society.

Details of a special scheme for the over 60s are still being worked out, but Mr. Clive Thornton, the Abbey National's chief executive, claimed yesterday that his product would look competitive beside the new "granny bond."

"Our offer will not be index linked, and the rate of return will not be fixed," he emphasised, "but in view of the possibility of a cut in Minimum Lending Rate in October and Mrs. Thatcher's expectation of lower inflation I think it will be attractive."

Mr. Thornton would not reveal any characteristics of the scheme, though he did hint that the return might be linked to some other yardstick.

Building societies and other savings institutions have reacted with some trepidation to the Government's plan to launch a new index linked retirement certificate in November and extend the maximum monthly contribution under the Save As You Earn contract (third issue), which is also index linked, from £20 to £50.

The new index linked certificate, which will replace the present retirement certificate, will available to men and women over 60.

The moves are expected by the Treasury to contribute some £1½bn to Government finances during the remainder of the current financial year.

"I don't believe that there are £1½bn of uncommitted funds in the personal savings sector so this money is going to be lifted partly at somebody else's expense," Mr. Thornton said. "*Building societies are* the most likely target and this is why we are reacting."

Cash flow worries

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE SLUMP in consumer spending in shops is causing serious problems for retailers' cash flow. A survey published yesterday, by the Korn-Ferry consultancy company, reveals that two-thirds of a sample of major retailers cite cash flow as their most pressing problem.

Retailers, however, seem least worried by production problems and relations with the Government.

The concern over cash flow, expressed by some 66 per cent *of the 314 directors surveyed* from 38 retail companies, is likely to have been strengthened by the even worse retail sales position revealed in Government figures earlier this week.

These showed that retail sales in July, when most retailers were offering substantial price-cuts to increase sales, were the lowest so far this year.

The problem faced by retailers is that without the cash flow generated by higher sales, they are finding it difficult to cover increased costs. Wage increases this year for shop staff have been above 18 per cent in many cases.

If cash flow remains *as* serious for retailers during the autumn, then a number of major mergers could result.

More City criticism of Thatcher

By Peter Riddell, Economics Correspondent

THE GOVERNMENT'S economic strategy has been further criticised by prominent City stockbrokers, who doubt whether current policies can succeed.

This follows strong criticisms made last weekend by both academic and City economists about the risks inherent in current policies.

Laing and Cruickshank argues that the monetarist experiment will require a further two years before any real assessment can be made. "While no U-turn is anticipated, neither is any real measures of success."

"It will not be easy to meet medium-term targets for either public sector borrowing or monetary growth, the firm says.

Present policies should help to bring the inflation rate down —possibly to a floor of 9 to 10 per cent in 1982—but it is difficult to envisage an effective transfer of resources to the private sector.

The same points have been taken up by Wood, Mackenzie and Co. The firm's new survey of monetary policy says a fall in inflationary expectations is still possible but the omens are not encouraging.

The crucial first step is a fall in wage increases to 10 per cent or less this autumn.

"*While it is true that some* deals have been at this level, most private sector settlements in the last couple of months have been in the 13 to 20 per cent range, and major public sector groups have received 16 to 20 per cent."

Wood, Mackenzie says there is, therefore, "a strong likelihood that existing policies will prove unsustainable. Rather, the danger is that inflation and monetary growth will remain substantial, while high interest rates will squeeze real profits further, leading to higher unemployment.

"Against this background, it would make sense for the Government to design an alternative strategy, ready for implementation if this autumn's pay bargaining *does* not generate settlements at or below 10 *per* cent."

The suggested alternative approach involves a reduction in *the rate of monetary growth* from its recent 15 to 16 per cent while reducing the strain on industry.

The key elements should be a reduction in the national *insurance surcharge, an* increase in personal sector taxes and a reduction in interest rates.

Building societies may have to ease cartel

BY ROBIN PAULEY

BUILDING societies may have to become more flexible and even loosen the interest rate cartel in response to the impact of the Government's monetary policy on their operations, Mr. Leonard Williams, chief general manager of the Nationwide Building Society, said yesterday.

He told an *Institute* of Bankers seminar on The Banks and their Competitors in Cambridge that building societies had to face the problem of maintaining an adequate investment inflow when the general level of interest rates moved up and down rapidly or remained at a high level *for* a long time, such as during the last six months.

"If the Government continues to rely upon interest rates in pursuit of its monetary targets, building societies are likely to continue to adapt their traditional methods of operation to cope with this, in par*ticular by widening the spread* of interest rates paid and charged, and increasing the speed of response to changes in other rates." Mr. Williams said.

Flexibility would be encouraged if the Building Societies' Association cartel were loosened to allow individual *societies* more independence in choosing the rates and terms they were prepared to pay for different kinds of money. Societies could then determine their own mortgage rates, with competition keeping the mortgage base rate as low as possible and allowing societies to charge nearer *market rates* for *large* loans. At the moment banks and other lenders were filling the gap at the top end of the market at rates substantially above those charged by societies.

"Clearly, building societies cannot allow this situation to continue indefinitely."

If competition between the banks and building societies became so intense that societies suffered a significant reduction in their share of personal savings or mortgage lending, they would need to seek the same commercial freedom to market their services as the banks already enjoyed, he said.

Building societies are restricted in what they lend on, how they can lend and the amount they can lend. They can only lend to mortgage securities in the UK. They are not empowered to acquire land, own subsidiaries to build or manage housing or provide other services.

Mr. Williams also said that both banks and building societies may find it impossible to compete with the Government's index-linked "granny" bonds.

The Treasury announced on Tuesday that a new bond would be offered in November for people over 60, up to a maximum holding of £3,000 per person. Index-linked save-as-you-earn contributions would also be extended from a maximum of £20 a month to £50.

If the bonds were successful the Government might extend index-linking further.

Two companies win M25 work

BY LYNTON McLAIN

CONTRACTS WORTH £67m for a further 12 miles of the proposed M25 orbital motorway around London were awarded yesterday to Costain Civil Engineering and Balfour Baatty by the Transpor tDepartment.

The total 120-mile motorway project to encircle the capital at a distance of 20 miles is one of the department's biggest spending programmes.

The last section comes into use in 1986. By then it is expected that the project will have cost taxpayers more than £600m at 1980 prices, a rate of about £5m a mile.

The latest contracts increase the length of the M25 now open or which will be under construction in the coming weeks to 58 miles. Thas ts almosi half the planned total.

The most expensive contract awarded yesterday went to Costain Civil Engineering. It is for more than £31m worth of work on the motorway section between the Upminster to Grays railway line at North Ockendon, Essex, and the A12 at Brook Street, Essex.

The work will involve 5½ miles of dual, three-lane carriageway. It represents the last of the M25 contracts between the A12 and the A13 in Essex.

The second largest contract also went to Costain Civil Engineering. It called for £21.2m worth of work to link, for the first time, the existing M11 motorway at Theydon Garnon, Essex, with the A12 at Brook Street.

Balfour Beatty won the £14.8m contract to build 1.9 miles of dual, four-lane carriageway north from Moor Lane, Yeoveney, to Horton Road, Poyle, Surrey, to the west of London.

The company is also to build a mile-long trunk-road with dual two-lane carriageways to link the motorway with the A3044 near the south-west corner of Heathrow Airport. A new roundabout and other connecting roads are involved.

The Government is concerned about the possible impact of noise on residents of the Moor Lane area as work progresses. Offers of double-glazing under the Noise Insulation Regulations have been made in "all appropriate cases," the Transport Department said yesterday.

Slightly more than 33 miles of the M25 are open to traffic; 24.2 miles are under construction or contracted nut to civil engineering companies.

However, the Government awaits full planning permission to build the remaining 60.9 miles of the proposed motorway.

Stand-by passengers 'not stranded' in Hong Kong

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SUGGESTIONS THAT cheap stand-by fares on the London-Hong Kong air route have resulted in passengers being stranded in Hong Kong were dismissed yesterday by British Caledonian Airways.

The airline was commenting on an attack made by Mr. Duncan Bluck, chief executive of Cathay Pacific, on stand-by fares. Mr. Blnck had described the as "gimmick" fares unsuited to the Hong Kong market.

It is understood that over the past weekend up to about 50 stand-by passengers seeking British Caledonian flights back to the UK were turned away and had to take later flights. The reason was that all the seats were filled by the higher-fare traffic, which is given priority.

This created publicity in Hong Kong which was critical of the ultra-cheap fares.

Mr. Blnck aaid that Cathay Pacific had always regarded one-way stand-by fares as unsuitable on the route. He said the airline's own cheapest "bookable" fare of £151 single, fully met the passenger's reqnirements for a confirmed seat. British Caledonian offers a basic stand-by single fare of £99.

It's response yesterday was that while some passengers seeking stand-by tickets had been unable recently to board the flights of their choice, they had been carried eventually, and there had been no question of the airport at Hong Kong at any time being clogged with passengers who were "stranded."

Swiss set to order Rapier

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Aerospace Dynamics Group is confident an order from Switzerland for the Rapier low-level anti-aircraft missile will be signed later this year, following the successful completion of live demonstrations of the weapon in Switzerland earlier this week.

Negotiations on the possible purchase of np to £250m worth of Rapier missiles by Switzerland have been in progress for several years.

British Aerospace believes it has satisfactorily completed all the presentations needed to enable the Swiss Government to make np its mind on the deal, although some further details may need to be resolved before a contract is forthcoming.

PSF invites redundancies

BY JOHN GRIFFITHS

PRESSED STEEL FISHER, BL's body-making and engineering arm, has invited voluntary redundancy applications from its 5,500 hourly paid work force at the Cowley body plant, which makes bodies for the Morris Ital, Austin Maxi and Princess.

But PSF emphasised yesterday that the invitation was only to find out what the response might be. PSF retained the right to select who could leave. The invitation does not apply to skilled toolroom workers, of which BL has a shortage.

No precise target has been set for the number of men the company wants to leave.

Good news for more BBC local stations

By Alcan Forrest

"GOOD EVENING—this is your new neighbour broadcasting on 95.1 stereo VHF and 351 metres medium-wave."

With these words, spoken by show presenter John Mountford from a studio in Norwich, the BBC's ambitious plans for local radio in the 1980s will be well under way.

Radio Norfolk is the corporation's 21st local station and one of 15 to go on the air this decade.

The cost of setting them up will be £500,000 a station with running costs of roughly £260,000 a year.

Stations in Lincolnshire and Cambridge will follow soon and other centres planned include Northampton, Devon and Cornwall.

Setting the pattern for the whole expansion programme, Mr. Mike Chaney, Radio Norfolk's station manager and former editor of Radio 4's Today programme, said: "We want onr programme to lean over hedges and harbour walls. This can be done because wa have reporters ond radio cars that broadcast live anywhere in the area."

Flexibility

The BBC is pinning a lot of hope on cutting ont demarcation lines between different presenters.

"The keynote," Mr. Chaney says, "will be flexibility in programming and this will be achieved by a unique interchangeability among the broadcasting team—a musician could find himself writing a news bulletin and a journalist could present a record show."

Radio Norfolk starts broadcasting at 5.55 tonight. It will transmit o daily diet of news and cnrrent affairs, traffic, travel and weather information and music.

With the popularity of local radio increasing, the BBC's commercial competitors are not being left ont in the cold.

The Independent Broadcasting Authority has just announced the award of its contract for Ayr to a company called Radio Ayrshire, one of three groups interviewed.

Radio Ayrshire said after the announcement: "Onr policy is to be a real local station—there is no big business involved.

"We have 41 shareholders, mainly local business people, with holdings ranging from £1,250 to £25,000.

"We think we can offer an unrivalled service in a large area where there is no local daily newspaper."

Its chairman is Mr. Robert Hanter, a local solicitor.

The IBA's next station is Wrexham and Deeside, covering a large area of Cheshire and North Wales. Closing date for applications for the contract is December 16.

Last year local commercial radio advertising revenne reached £44.6m, against 1978's £29.9m, and the first quarter of this year turned in a record £9.9m.

The present phase of expansion will take it to 80 per cent of the country's population and it attracts about 3 per cent of national advertising revenne.

With prospects like this, it looks as if the isle will be full of noises for some time to come.

Target of envy and abuse may face radical changes

An inquiry is being urged to recommend that civil servants contribute to the cost of their scheme, writes Eric Short

CIVIL Service pensions have been the target of both envy and abuse ever since the payments were inflation-proofed by the previous Tory Government under the 1971 Pension (Increases) Act.

Inflation-proof peosions have been criticised mainly on two grounds: first, that they are not generally available in the private sector, except for a few major pension schemes; and second, that the civil servant pays far too little for his.

Misgivings

The present Government apparently shares the misgivings over civil servants' pensions, but seems not to know how to undo the work of its Tory predecessor. Mrs. Thatcher has therefore set up an independent inquiry into the value of pensioos, uoder the chairmanship of Sir Bernard Scott, whose brief is to examine the question of index-linking. Two alternatives that may be considered are to cut back on pension increases, or to make civil servants contribute to the cost by reducing their salaries. Strong support for contributions came this week from the Centre for Policy Studies in its evidence to the inquiry. The centre, set up by the Conservative Party while in Opposition as its "think tank," is critical of the Government Actuary's calculations of the deductions that need to be made from civil servants' salaries to pay for better pensioo benefits. The report accuses the Actuary, Mr. Edward Johnstone, of being far too optimistic in his assumptions.

No deductions are made from pay for Civil Service pensions, and there is no central fund to meet pension liabilities when they arise. The cost of paying the peosions is met from taxation revenue.

This is in contrast to private and nationalised board pension schemes, very few of which are noo-contributory and almost all of which fund io advance for pensions.

But in determining the salary levels of civil servants, the Government Actuary makes a comparison of the cost of pensions—known as the "analogue" srheme—which assumes a funded pension scheme comparable to ocrupational ones.

In the Civil Service pay negotiatioos, comparisoo is made with pay and benefits in other romparable orcupations, including those in local authorities, nationalised industries and companies in industry and commerce. Out of the 607 employers in the group used for comparison — the analogue — 569 had occupational peosioo paying pensions based on final salary.

The Government Actuary found that, on average over the past five years, pensions payments in the private sector rose by a percentage slightly more than half the rise in the Retail Price Index. This may appear surprising, since it is widely believed that few companies can afford to increase pensioos by significant amouots.

However, the analogue pension schemes used for comparison include those for nationalised industries, where pensions are revalued each year in line with the RPI, as well as those run by major companies which up to now have been fairly geoerous in revaluing.

In calculating the cost of pensions in an occupational pension scheme an actuary has to ascertain the salary progression of employees throughout their career, make certain assumptions about the rate with which employees leave service and, most important, must make assumptions about future rates of return oo investment, the rate of salary inflation and the rate of price inflations. These rates have to be estimated for very long periods of around 50 years.

The Government Actuary has assumed that the long-term rate of price inflation would be 7½ per cent a year, that salaries would rise each year by 8½ per cent, and that the investment yields on pension funds would be 10 per cent per annum. On these assumptions, he calculated the cost of Civil Service pensions to be 16.8 per cent of salary and the average cost of analogue schemes to be 12.2 per cent.

After allowing for differences in benefit, the deduction to be made from civil servants' salaries to pay for inflation-proofing would be 3.8 per cent.

At present, salaries are deemed to be reduced by about 7 per cent—the equivalent of an employee contribution to a funded pension scheme.

The Centre for Policy Studies in its evidence disputed the Government Actuary's assumption that investments could earn 3 per ceot more than the rate of inflation. It pointed out that over the past 10 years pension funds had not matched price inflation. But in spite of this evidence the Actuary calculations are very much in line with those of consultants who assume similar levels of return in their calculations for pension schemes.

The centre's attitude is likely to receive a sympathetic response from pension fund managers, who would feel they had done a good job if they could match inflation over the next few decades and who also consider actuaries to be unrealistic in their assumptions.

The centre considers that a more realistic deduction could be made by assuming that the rate of return on investments will be only 1 per cent more each year than the rate of inflation. On this basis it calculates that the deduction from salaries needed to pay for the pensions would be 11.7 per cent. But the centre appears itself to have made a fundamental error.

Analogues

It recalculated the cost of civil servants' pensions to be 27.1 per cent instead of 16.8 per cent on the new assumptions—but it did not recalculate the cost of the analogue scheme on the same assumptions. It assumed therefore that the scheme's cost was 12.2 per cent. If pensions rise at half the rate of inflation, and return on investment is assumed to be 1 per cent above inflation, the cost would be nearer to 18 per cent.

The deductions from civil servants' salaries to pay for index-linking should thus be about 7 per cent, compared with 3.8 per cent calculated by the Government Actuary and the proposed 11.7 per cent.

The evidence of the centre concedes that it is very difficult to make precise calrulations without having available the full data. But it should have don ehetter than this.

Calculations

It also calls on the Government Actuary to do his calculations on several different assumptions so that the public can see how costs vary. The feeling remains that civil servants are undercharged for their index-linked pensions and the taxpayer should have the necessary information to judge what a more realistic rate should be.

Racal to put Decca House on market

By Robin Pauley

RACAL, the radar and electronics gronp, is to put Decca House on the market. No price has been attached to the property—on the south bank of the Thames opposite the House of Commons—but it is expected to sell for between £7m and £9m.

The building was Decca's headquarters before the fierco take-over battle earlier this year which resulted in Racal acquiring the company for £106m.

A spokesman for Racal said yesterday that Decca House has been under-used before the take-over because Decca had sold its record activities.

The accounts and sales departments of Racal-Decca Navigator and Racal-Decca Marine Radar will be moved from Decca House to New Malden, Surrey.

The move will mean abont 80 redundancies among the 300 currently employed at Decca House. The group recently axed 350 jobs in the marine radar section. No more redundancies are envisaged within the gronp in the "foreseeable future."

"It has been Racal's policy since the early 1960s to organise itself on the basis of small- and medium-sized companies which operate as autonomons profit centres," a spokesman said.

"A key factor is that the directors, the sales, engineering and prodnction activities and other departments should be close to each other and capable of daily contact.

"This creates an environment of quick reaction to customers, sensible prodnct planning and speedy solution of problems."

Russian tells of car 'anger'

A RUSSIAN company director explained yesterday how his British sales manager reacted angrily to the news that he was to drive a Soviet car. Mr. Viktor Privytok, technical director of UMO Plant, the Letchworth-based Russian construction equipment company, said Mr. Alan Brodie, 42, was sacked after he refused to hand over the keys of his contract hire Ford.

Mr. Brodie is claiming unfair dismissal at an industrial tribunal at Cambridge.

Mr. Privytok said Mr. Brodie's hired Ford Granada cost £1,800 a year. He said he told Mr. Brodie the car was being sent back because of the company's financial position.

"He asked me what car he would drive and I told him a Lada. He was very angry and told me he would never drive a Lada and that he was promised under his contract that he would drive a Granada 2.3 litre."

Mr. Privytok said it was the managing director's decision and Mr. Brodie should discuss it with him. "But Mr. Brodie said he would not discuss this question with anyone. He said he was leaving the office aod if the managing director would like to speak to him he could do this through his solicitors."

The tribunal continues.

CONTRACTS

£2.4m water turbines for India

A contract worth over £350,000 has been awarded to FAIREY HYDRAULICS for landing gear and tail rotor actuators for the initial batch of 21 W.G.30 medium transport Westland helicopters.

★

AVICA EQUIPMENT has received an order worth £261,000 for high temperature metallic seals and forged "V" flange ducting clamps from Short Brothers for use in the podding system it supplies to Rolls Royce Derby for the RB211 power plant.

★

DETECTION INSTRUMENTS, Wokingham, Berkshire, has received an order from Marathon Oil UK to supply the combustible gas detection system for the BRAE platforms worth £180,000. The equipment includes the DI 800 control module. DI 5/6 detector head and aspirator systems will also be used.

★

A £120,000 contract has been won by LONDON BANKSIDE PRODUCTS for the supply of door mirrors to Datsun UK. The mirrors, of a new type, are to be fitted as original equipment on all Datsun pickup trucks and vans sold in Britain.

★

GEC MACHINES, Rugby (a subsidiary of The General Electric Company of England) has been awarded a £2.4m contract, by the Andhra Pradesh State Electricity Board of India, for the supply of two umbrella type vertical water turbine generators for the Right Bank power station at Nagarjuna Sagar. Each unit will hava a maximum continuous rating of 39,650 kVA at 0.85 pf, 150 r/min, 11 kV, 3 phase, 50 Hz and will be delivered next year. The wound stator, made in three sections, will have a total weight of 86.5 tonnes and will be 11 metres across from corner to corner. The rotor, having 40 poles, will be 7.7 metres diameter and will weight 100 tonnes without its shaft. The power generated from this project will be stepped-up to 220 kV and fed into tha Andhra Pradesh grid by a short interconnecting line to the existing 132 [illegible] sub-station at Nagarjuna S[illegible] main power station situated on tha Left Bank or River tha Krishma.

★

Orders worth about £1.5m have been received from the Post Office by TREND COMMUNICATIONS, High Wycombe, a member of tha Phicom Group. A substantial part of the business is for Trend's range of teleprinters. Other contracts are for telegraph testing and operational equipment. One £400,000 contract placed with Trend by the Post Office is for receive only and keyboard send receive teleprinters for the Metropolitan Police. These will be used to link Metropolitan Police areas to the centre of the police telecommunications network at New Scotland Yard.

★

IDC, Stratford-upon-Avon, has been awarded a contract worth just under £1m by G. H. BETTIS ACTUATORS AND CONTROLS to design and construct a new UK production plant at Fareham, Hampshire. Work is expected to be completed in spring 1981.

UK NEWS—THE LIBERALS AT BLACKPOOL

Steel urges more talks on centre party

By Richard Evans, Lobby Editor

MR. DAVID STEELE, Liberal leader, risked further party dissension yesterday when he advocated a continuing dialogue with potential members of a new centre party before the next General Election in an effort to find common ground.

Most delegates at the assembly feel that Mr. Roy Jenkins and other Labour Party Right-wing dissidents are welcome to join the Liberal Party, but they oppose the Liberals making any pacts with or concessions towards a new party.

Mr. Steel, who has previously sought to defuse the sensitive issue, yesterday repeated his controversial view that contact should be maintained actively with the Jenkinsites.

"There is an obligation on us to continue the dialogue. . . I think it essential that *if it is* at *all possible it ought to be* before the next election."

David Steel: "time is not on our side."

His comments, in an ITN *interview*, brought *an immediate* response from Mr. Cyril Smith, MP for Rochdale.

"If he (Mr. Steel) chooses to talk about a pact before an election, he will have a very serious internal fight within the party," Mr. Smith warned. "It is a non-starter and a nonsense."

Mr. Steel was careful, however, to place the onus for talks on a possible pact on Labour's social democrats.

"If need be, we shall act on our own but if they want to com eand join us, they must make up their minds. . . time is not on our side. I think they will have to decide soon."

Mr. Steel's main concern is to break the present two-party system by achieving electoral reform. He believes this could be best achieved by seeking cooperation from Labour Party dissidents and others.

His difficulty, and the reason he must not place too much emphasis on the *Jenkinsites*, is that a breakaway Social Democratic party might never be formed.

If Mr. Callaghan, the Labour Party leader, wins his constitutional battle with the Left at next month's Labour Party conference and if Mr. Denis Healey becomes Party leader in the next few months, there will be every incentive for Right-wingers to stay with the Labour Party. The whole issue of a political re-allignment would then be shelved indefinitely.

PARTY PLANS CAMPAIGN TO CHANGE THATCHER'S POLICIES

'Rebellion' against jobs loss

BY IVOR OWEN

LIBERAL LEADERS plan a nationwide crusade against unemployment aimed at forcing the Government to adopt a programme of controlled reflation.

Delegates at the Liberal Assembly in Blackpool yesterday overwhelmingly approved a resolution condemning the Government for allowing the total ont of work to exceed 2m and calling for the immediate injection of £2bn into the economy to finance capital projects.

They gave a standing ovation to Mr. Cyril Smith, the party's spokesman on industry and employment, who fiercely attacked the Prime Minister for persisting with pollcies which were eroding Britain's manufacturing base and threatening to cripple the entire economy.

Mr. Smith warned that with unemployment certain to climb still higher it will remain the dominant political issue in the period up to the next general election.

He urged the Liberals to take their programme for combating unemployment to every corner of the land.

The monetarist medicine being administered hy the Prime Ministers, he said, was not a cure but a poison.

To a roar of approval, Mr. Smith insisted "the people should rise and rebel."

The message from the assembly to Mrs. Thatcher, ha said, should be, "Maggie, you are not on."

Mr. Richard Wainwright, the Liberal spokesman on Treasury and economic affairs, predicted that without a change in Government policy unemployment could he as high as 3m by the end of 1981.

He wanted Tory MPs from areas hardest hit hy factory closures and redundancies to be singled out as special targets in the course of the Liberal campaign.

Mr. Wainwright argued that it was Mrs. Thatcher's critics on the Tory hanches in the Commons who offered the most direct route to securing a major change hoth in the policies of the Government and its personnel.

"Already Tory MPs in the Midlands and the North-west are aghast at the consequences of their Government's policy," he declared.

Mr. Wainwright emphasised that over the past nine months the House of Commons *select* committee on the Treasury and Civil Service — headed by Mr. Edward du Cann, chairman of the Conservative backbench 1922 Committee — bad been "unanimously critical" of the Government's *Treasury* team.

Cyril Smith: monetarist poison.

"The most telling charge against Mrs. Thatcher and bar Treasury Ministers is that of mounting incompetence," he said.

"The list of major hlunders is approaching the size of a Christmas mail order catalogue."

Mr. Wainwright claimed that the money supply was ont of control and also the Government's horrowing requirement.

He dismissed the Government's decision to issue a new indexed savings certificate for the over-60s as inadequate, and suggested that it was another example of the Prime Minister's lack of confidence in her own policies.

Enthusiasm among delegates for the crusade against unemployment stopped short of adopting a Young Liberal demand for selectiva import controls.

An attempt to introduce optional retirement at 55 for all citizens was also rejacted.

A warning from one delegate that the injection of £2bn into the economy would lead to still greater inflation was unceremoniously squashed by Mr. Smith.

Strong call to reform farm policy

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE CONFERENCE overwhelmingly approved a motion calling for the reform of the *Common* Agricultural Policy and the scrapping of the intervention price system, in spite *of strong* opposltion by the powerful agricultural wing of the party.

However, as a concession to their critics, the backers of the motion dropped their demand that the Liberal Party should reassert its traditional belief in a policy of cheap food.

The motion, which was heavily supported by the Young Liberals, wants the intervention price system replaced with cash subsidies favouring smallholdings and marginal farms rather than the large commercial combines.

It calls for EEC spending on agricultural support to be reduced so that it is no more than half the Community budget.

"The CAP by virtue of its inflexibility, injustice and inefficiency, is a major harrier to the economic and political development of the EEC," it declared.

It condemned across-the-board subsidies which go to rich and poor farmers alike on the grounds that this created artificially high prices to the detriment of Europe's low wage earners.

Moving the resolution, Mr. Philip Truscott (Croydon South constituency), and a member of the National League of the Young Liberals, reminded delegates that a recent poll showed that 59 per cent of Liberals favoured their pulling out of the Community and only 38 per cent wanted Britain to stay in.

"The CAP more than anything else, has turned the British public away from the Common Market," he said.

If the Community moved to cash subsidies, it would he possible to protect small farmers without any commitment to buy up surplus products. It would give incentives to farmers to produce the type of food the public wished to buy.

This would make it possible to reduce import tariffs levied on food entering Europe. There could be little justification for a system which discriminated against Third World farmers and henefited the richer producers of Europe.

An unsuccessful attempt was made by Mr. Gordon Heath, West Devon, to reject the section calling for the scrapping of intervention prices and the reduction of agricultural support.

He argued there was no evidence to suggest that farm prices were artificially high, or — if they were — that across-the-board subsidies were causing it.

Clement Freud: "Cheap food means bankrupt farmers."

Mr. Heath's amendment was supported by Mr. Clement Freud, MP for the Isle of Ely, who said: "Cheap food is somethiog which Liberals should not be any part of. Cheap food means hankrupt farmers, raped land and greater cruelty to livestock."

But be made the distinction between cheap food and cheaper food. Liberals had the right to advocate lower food prices, particularly in view of the large profits made by middlemen and retailers once the food left the farmer.

Mr. Geraint Howells, MP for Cardigan and the party's agricultural spokesman, agreed that the present CAP was inadequate, and predicted that unless it was drastically reformed, it would disintegrate within the next three to five years.

There was applause when he said that surpluses should be sold off cheaply to the elderly and the needy rather than to the Rusians.

Nevertheless, he said that the party should not try to draw up ao alternative agricultural policy in the space of a short conference debate. Therefore, be urged that the motion should be referred back to the party's agricultural panel for further consideration.

The reference back was rejected by delegates after Mr. Truscott condemned it as an attempt to kill the original motion by stealth.

DEBATES SHOW DICHOTOMY INSIDE THE PARTY

Descent of seaside fog

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

IN THE policy booklet for this week's Liberal assembly, Michael Meadowcroft, the conference chairman, boldly declares that the first duty of any political party is to make clear tha type of society it wants.

He then cannily hedges his bets hy adding the caveat that it wonld not be "*practicable to ontline tha precise* structure of a Liberal society since of its very nature it would be *open, dynamic* and subject to constant change and evolution."

This *haziness surrounding* the precise nature of the Liberal alternative was rapidly demonstrated on the first day of the conference at Blackpool yesterday.

Events started boldly enough with the incoming Liberal president Richard Holme declaring that the electors once more recognised the polocies the Liberals stood for and the party was in a position to "ride that flood to victory."

Within minutes, however, the fog descended once more and Mr. Holma was taking us through a long list of Liberal obsessions such as alcoholism, tranquilisers, pollution, shoddy goods and overflowing rubbish hins.

The opening debate, on the Common Agricultural Policy, gave further illustrations of *the dichotomy within the* party. One group, mainly consisting of Young Liberals, wanted to reform the CAP in order to bring down food prices to the consumer. This was stolidly opposed by a succession of robust farmers who were only too anxious to maintain farm incomes.

Delegates then moved on to the much-heralded debate on unemployment where the main item was the topical motion pnt down mainly at the instigation of Mr. Cyril Smith, the party's employment spokesman.

Among other desirahle objectives this calls for an extra £2hn to be raised for capital spending by means of an indexed linked national savings scheme.

Naturally enongh, most delegates were in favour of this largesse.

Then came an event which delegates had been waiting for as Cyril Smith clambered up to the rostrum. He bluntly declared that there was "nowt" in any of the criticisms of the motion.

"Don't let's us have any rubbish abont not being able to afford it," he boomed.

The tronble was that be said almost "nowt" abont the details of the motion bnt, like the fat boy in Pickwick Papers who wanted to make "yer flesh creep" came out with a list of horror stories abont the way Mrs. Thatcher was slowly poisoning the economy.

Anyway, it was the sort of rumbustious stuff that the delegates wanted to hear and they gave him a standing ovation.

The conference then returned to the world of Tweedle Dum and Tweedle Dee. The question was whether or not the Liberala ahould abandon their traditional esponsal of free trade and introdnce import controls. Yes, said the National league of Young Liberals in one motion. N, said the Croydon Sonth constituency party in In another.

In view of these events the weekend MORI opinion poll which showed that Liberal voters were in a state of confusion over party policy becomes more explicable.

Whitehall cuts hit Blackpool

GOVERNMENT cuts are threatening to destroy the heart of Blackpool, the town's Liberal councillor, Mr. Chris Hayworth, told the assembly.

He said Blackpool was the victim of a "creeping seediness." "Redundancies, closures and short-time working bave reduced Blackpool's intake of visitors to a mere trickle." he said.

Proposal for free travel

MR. DAVID ALTON, MP for Edge Hill, called for free travel on local buses and trains financed through income tax.

The scheme, he claimed, would halt fare increases, encourage people to use public transport and reduce the bureaucracy of concessionary fares.

But Clement Freud, MP for the Isle of Ely, said the idea was "nutty" and warned it would creote chaos on peak-bour services.

"To make local passenger transport free would be a massive aubsidy for the ricb," he said. "This idea would contribute nothing in dealing with problems of public transport."

Mr. Altoo retorted: "If it's good enough for MPs to have free travel it's good enough for everybody."

He said that £1bn of the £2.5bn public transport bill is already met from public funds.

If the entire schema wera paid through taxation it would add 3p to the basic rate, or even less if resources were diverted from motorway construction.

LABOUR NEWS

Loser may fight decision on boilermakers' election

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE EXECUTIVE council of the Boilermakers Union has declared Mr. James Murray the winner of a bitterly contested election for the post of ganeral secretary, in which halloting irregularities were alleged by the two contenders for the post.

However, it is understood that Mr. Barry Williams, the other contender, is unhappy with the declaration, and that he has taken legal advise on the possibility of *contesting it*.

Under union rules, Mr. Williams has 90 days in which *to lodge an appeal to* tha union's general council, which is largely made up of lay members. *Thereafter, hia only* appeal is to the courts.

Mr. Murray is to tha right of tha labour movement, while Mr. Williams is a member of the Communist Party.

Mr. Murray said yesterday that tha decision to declare *him* the winner of the contest was taken at a meeting last Friday of the executive council, of which he is chairman.

Mr. John Chalmers, the general secretary who retires towards the end of this year, also attended the executive *council but made no comment* after tha meeting. Mr. Chalmers has since hegun a *trip to* the U.S. and Japan.

Mr. Murray would not comment in detail on the alleged *irregularities*, except to say that all of them, about 30 in number, were carefully considered.

Mr. Murray's Renfrew branch made 19 allegations of irregularities, of which 14 were upheld, while Mr. Williams's *Liverpool 2 branch made nine*, of which four were upheld.

The effect of the council's decision was to reduce the votes of both candidates hut to increase Mr. Murray'a lead over Mr. Williams from 128 to 406.

Mr. Murray, 60, has heen an executive council member for 12 years. He worked as a plater in the old Stevens Shipbuilders yard on Clydeside and was a local official in the Clyde district for eight years.

He has already been appointed by the union to take Mr. Chalmers's seat on the TUC's general council.

Loan of £1.8m may prevent dock strike

THE GOVERNMENT, faced with the possibility of a national dock strike next week, agreed yesterday to lend a further £1.8m to British port employers to help them out of their financial difficulties.

Ministers hava mada clear that the *Governmant believes it* has no role to play in the dispute over redundancies between the *Transport* and General Workers Union and Liverpool port employers.

But the move yesterday indicated clearly its hopes that the National Docks Labour Board, meeting in London today, will agree to channel some if not all of the new money to Liverpool in order to increase severance pay for dockers.

The Liverpool dispute—over threats to place 180 redundant dockers on tha Temporary Unattached Register instead of keeping them under paid employment as surplus lahour —hinges on the insistence of the local port employers that they cannot afford to increase their load of surplus labour.

It is hoped that if higher severance pay can persuade more Liverpool dockers to leave the employers' books, the employers' problem will be relieved and a formula may be found for settling the dispute.

The port wants to cut its dock labour force by 635 through its severance scheme. But so far only 235 have taken up the offer of £8,500 and unions have claimed the amount is not high enough.

Mr. James Fitzpatrick, chairman of the National Association of Port Employars and chief executive of tha Mersey Docks and Harbour Company, met Department of Employmant officials yesterday. Afterwards he described the Liverpool surplus as "hidden unemployment" which had cost £1.2m in the first half of this year.

Mr. Fitzpatrick was with other members of the National Docks Lahour Board which yesterday asked the Department of Employment to increasa the Government's lending up to the maximum statutory borrowing limit for port employers of £10m.

The meeting was said not to have discussed the particular prohlem in Liverpool, where dockers employed by T. and J. Harrison stevedoring company and Bulk Cargo Handling Service are expecting to be made redundant.

Under the National Docks Labour Scheme dockers cannot be made redundant as such, although employers have a statutory right to place them on the Temporary Unattached Register which would pay them £55 a week.

The TGWU will decide next Monday whether to call a national docks strike because it claims that the Liverpool employers are failing to honour an nnderstanding that the register was not to be used except for disciplinary purposes.

Ayr dispute threatens oil platform

By Our Labour Correspondent

A two-week-old strike at the Ayrshire Construction yard, Hunterston, Firth of Clyde, threatens the future of a £60m oil platform under construction for Phillips Petroleum.

Police arrested 48 pickets at the yard yesterday. The pickets were charged with public-order offences. Strathclyde police said the arrests were not made to limit the number of pickets but because pickets allegedly obstructed a private road.

The action involves 900 workers, mainly members of the Boilermakers' Union and the General and Municipal Workers' Union. They walked out two weeks ago, alleging a breach of safety regulations hy the yard's management.

Earlier this week, shop-stewards said the workers were prepared to return only if the management withdrew a circular which mentioned a record of bad industrial relations at the yard.

Last week the men rejected GMWU and Boilermakers' Union appeals to return to work. Mr. James Milne, general secretary of the Scottish TUC, has also asked the strikers to return, saying Phillips might take the half-finished platform away from the yard if work did not restart.

Phillips said yesterday that progress on the platform was "under review." The company said the last date given for the platform's completion was spring, 1981. It would not *say if that date could be ad*hered to. The platform is due to go into service in the *Maureen field in the North* Sea.

Talbot wins acceptance of 18-month pay deal

BY GARETH GRIFFITHS

TALBOT UK unions have formally accepted an 18 month *pay agreement which will* put the company at the end rather than the beginning of the motor industry payround.

The deal covers 12,000 workers at Talbot plants and will be backdated to July 1. Production workers will receive an initial increase of 8 per cent and skilled workers 12 per cent. Both groups of workers will be paid an extra 7 per cent from March 1, 1981. Original union claims had been for 20 to 25 per cent increases.

Talbot said the agreemeot will mean that production workers' weekly wages will increase from £83.80 to £90.50 and then to £96.84. Skilled workers' wages will rise from £90.50 to £100.91, and to £107.98 in March.

The company said holiday entitlements at the various plants have been rationalised and there is to he no change in working conditions. Talbot has 11,500 workers on *short* time.

Talbot took a tough stand in tha last pay round, and had expected the deal to go through. There has heen no evidence of militancy in Talbot factories although the majority of workers at Stoke voted against acceptance.

Shop floor officials have said union agreemant recognises the poor position of tha motor industry.

● Engineering workers at Vanxhall's Ellesmere Port plant have voted to reject the company's 8 per cent offer. The meeting of the Amalgamated Union of Engineering Workers was poorly attended. Both the AUEW and the Transport and General Workers' Union have now voted against the offer, although the Dunstable plant has accepted the deal.

Councils agree to arbitration

By Our Labour Staff

EMPLOYERS of 500,000 local anthority white collar staff agreed "reluctantly" yesterday to go to arbitration on their 13 per cent pay offer.

They told negotiaters in the National and Local Government Officers' Association, however, that councils could not finance a higher settlement. Any increase above 13 per cent would lead to job losses and serious cuts in local authority services, *they said*.

Under national joint council rules, arbitration can be *initiated* by *either side with agreement from the* Employment Secretary and the results are binding. An arbitration panel is expected to be formed by the Advisory Conciliation and Arbitration Service.

A special delegate conference of union members decided to go to arbitration on their 20 per cent claim at the end of last month.

Mr. Mike Blick, the union's negotiating officer, said arbitration "was a defeat for our negotiating *machinery*.

"It should have been possible to negotiate a settlement for local government staff without recourse to arbitration.

"Well over 90 per cent of the working population has heen able to come to negotiated settlements in the 1979-80 pay round," he added. "The net effect of these agreements was to add more than 21 per cent to the national earnings figure."

It was against this background that the employers' 13 per cent offer should be seen.

Clothing employers call for simpler bargaining

BY GARETH GRIFFITHS

CLOTHING INDUSTRY employers have told the National Union of Tailors and Garment Workers that the present bargaining system needs extensive rationalisation and that the several pay agreements in the industry should be amalgamated *into one deal*.

Talks between the 117,000 strong union and tha British Clothing Industry Association broke down on Monday after an employers' offer of 7 per cent on minimum rates to be paid from January 1, 1981.

Negotiations are complicated by the fact that different sec*tors of the clothing* trade have different settlement dates: the first is due this month and the bulk come in *October*. The 7 per cent offer did not include any backdating.

The offar would take minimum rates to about £1.33 an hour. The union wants increases in line with the inflation rate, an improvement in holiday entitlement to four weeks, and a reduction in working hours from 40 hours to 38 hours.

Mr. Alec Smith, its general secretary, described the offer as derisory. Fresh talks have been planned for September 18.

The fiva separate settlements in the clothing industry are nsually similar and affect 160,000 people.

The NUTGW says the industry has lost 23,000 clothing joba and 30,000 workers are on ahort time.

Farmworkers quizzed on cost of living

BY GARETH GRIFFITHS

THE FARMWORKERS union has asked its 80,000 membera to fill in a questionnaire on their cost of living, to collect information for pay negotiations starting next month.

The questionnaire, published in the National Union of Agricultural and Allied Workers' Union's magazine yesterday, asks about the price of various basic groceries. The union wants the information to prova its claim that living expenses are higher outside the towns.

Mr. Jack Boddy, the union's general secretary, said ha wanted avidence to present to the Agricultural Wages Board. "Ona of our strong arguments will be that as well as tha gap between farmworkers' average earnings and those of industrial workers, our members spend more for the weekly shopping because of where they live."

The union has put in a pay claim for a "very substantial increase" which officials estimate is worth £30 a week. The claim also demands *new over*time rates and a reduction in the working week from 40 to 35 hours.

Tha minimum rate for farmworkers is £58 a week and applies to 150,000 farm workers in England and Wales.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

● COMPONENTS

Variable pitch fans run cool and quiet

RADIATOR cooling fans have long been a problem, and a fuel waster, for motorists and automobile engineers alike; of fixed blade pitch and running at an invariable ratio to the crankshaft, they move too much air or too little in relation to the ambient temperature and often make more noise than a well-tuned engine.

To meet this problem Quinton Hazell has developed and manufactured the Thermofan, which applies in reverse the well-tried principle of the variable-pitch aircraft or marine propeller.

The Thermofan is continuously driven by the engine belt and easily fitted to standard pump mountings, requiring no more space than a conventional fan. But it is sensitive to temperature, and the variable-pitch blades draw air through the radiator at a rate needed to maintain an efficient engine temperature.

This flexibility in operation, QH claims, ensures a rapid warm-up from cold and a minimum take-off of power under all conditions.

When the engine needs on cooling air through the radiator, the seven Thermofan blades automatically take up a low-pitch position on their axis, resulting in a significant reduction in fan noise and petrol consumption. As the heat under the bonnet rises with the radiator temperature, alternate rings of different materials in the fan hub, including acetal resin, which has a high coefficient of expansion, rotate and turn a series of simple cams which change the pitch of the blades.

The airflow drawn through the radiator is thus increased to the extent required to maintain an efficient operating temperature. As the engine temperature falls the Thermofan blades revert to the low-pitch position.

The effectiveness of the fan is therefore related directly to the cooling needs of the engine. QH also claims that there are none of the disadvantages of steep temperature graph gradients associated with the intermittent fan operation, electric or viscous, that has hitherto been the most commonly used alternative available to engine designers.

Tests have registered noise levels less than half those of the standard fan fitted to the BL Marina, QH claims, and in a typical speed range the shaft horse-power absorbed is reduced by up to 60 per cent.

The Thermofan is likely to cost about 15 per cent less to install than temperature-controlled viscous-drive fans and about the same as viscous-coupled fans which do not have temperature control, says QH.

● PROCESSING

Makes marks at little cost

COSTING ONLY £180 is a hot blocking machine for marking instructions, numbers, etc., on plastic, cardboard and leather, described as a lower priced unit for a high production output, by maker Technical Marking Systems, Westfield Terrace, Sheffield (0742 77951).

It incorporates special dies with thermostatically controlled heating elements effecting an indented mark achieved with the combination of pressure and temperature.

The stroke of the marking head is fixed but can be made adjustable, as can the depth of the characters which can then be applied to the component surface.

Available either bench mounted or pedestal, the machine works in conjunction with special jigs and fixtures to achieve production output with the minimum of delay and is said to be ideally suited for applications on automobile components and domestic appliances and in the printing and general engineering industries.

Basic design lends itself for use in conjunction with hot foil marking by inserting a manual or fully automated foil feed arrangement.

This same company has also launched an entirely new chemical marking kit which has been specially designed for applying stress-free marks, faithfully and diligently, to ferrous and non-ferrous materials in a matter of seconds.

It promises numerous applications, says the maker, in industrial concerns involved in the manufacture of engineers' cutting tools, gauges, etc., in production, inspection and sub-assembly.

● LIGHTING

Shedding light on lampmakers' dilemma

IN AN atmosphere of unease containing much talk of overcapacity in the lamp industry and of dumping from behind the iron curtain, West Germany's leading manufacturer Osram GmbH has followed Thorn, Sylvania and Philips with increasing promotional effort aimed in the main at raising sales of its recently introduced slim tube energy saving fluorescent lamps.

Osram GmbH, a subsidiary of Siemens, has a turnover of about £350m and has a daily output from its European plants of about 250,000 lamps a day which, it claims, is about twice that of UK leader Thorn Electrical. It has no connection with Osram-GEC in the UK, the relationship having been severed after the first world war. The company became wholly owned by Siemens two years ago when GE of the U.S. and AEG sold their equity.

In the UK the Osram GmbH subsidiary is Wotan Lamps with offices in London SW18 and although the UK market share is only 4 to 5 per cent, Wotan managing director Ernst Brueggemann has been able to double the turnover in the last three years.

In world terms however, Osram GmbH claims to be number four behind GE (USA), Philips and Westinghouse. It now has a total of 28 production centres of which ten are in West Germany, and employs 16,000 people.

The new fluorescent lamp products that Wotan has been introducing into the UK under the name Maxilux have marked similarities to the reduced diameter tubes using new phosphors announced in recent months by other makers. In fact, they are all based, it is understood, on the same Philips patent employing a mixture of red, green and blue phosphors similar to that used in colour television. Coupled with a change of tube gas, these have the overall effect of maintaining the "de-luxe" warm, natural light spectrum normally obtained only at expense of efficacy, while in fact increasing the efficacy to over 90 lumens/watt.

For the same nominal light output this means that the power consumption is about 10 per cent less.

But what Osram fears, as do the other makers offering this kind of product, is that the premium price demanded (due partly to the high cost of the rare-earth phosphors) will not be properly balanced by potential users against the reduced electricity bills over the life of the lamp. Although all the companies admit that industrial and domestic educational strategies are needed, they all seem reluctant at the moment to earmark funds.

The principal point they make is that the first cost of the lamp is not a highly significant element in the total lifetime cost. They argue that over that lifetime the electrical energy element of the cost can be 10 times greater than the capital cost so that a greater lamp price has much less effect than increases in efficacy. Thus it is claimed that although the new lamps cost three times as much as the old ones, they pay off in the end.

But a problem remains: wholesalers and users have to be aware and convinced of this argument and then they must be in a position to deploy the high initial capital.

Meanwhile, growing overcapacity and alleged dumping by East European countries (Poland, Hungary and East Germany are quoted by Osram) are tending to depress prices, particularly of tungsten filament lamps. As a result, manufacturers in high wage countries such as West Germany are having continually to improve productivity, even with the availability of "guest" workers.

Osram claims considerable success in increasing throughput while maintaining high quality standards. For tungsten filament lamps for general service, multi-station "carousel" machines have been linked for continuous running so that bulbs from the glass supplier are literally tipped into a hopper at one end while finished, boxed and crated product emerges at the other, ready to put on a lorry.

But more and more attention is being paid to economic production of fluorescent tubes to meet a market which in Western Europe alone amounts to 220m lamps annually, growing at four to five per cent per annum.

The stakes are considerable however; a new line of the kind about to be put in by Osram at the Augsburg plant to make the new breed of tubes will cost in excess of £7m.

For the future, the company will introduce in the next three or four months a circular fluorescent tube (essentially a normal unit formed into a circle). It can be plugged straight into a light fitting, will give the light of a 75 watt filament bulb but will consume only 25 watts. But it will cost 15 times as much as the bulb. Philips has made similar announcements recently.

GEOFFREY CHARLISH

● QUALITY CONTROL

Measures metal fatigue

EQUIPMENT DESIGNED to accurately simulate and measure, in real-life situations, the joint action of major and minor loadings on fatigue crack formation and growth on high technology materials has just been announced by Instron, Coronation Road, High Wycombe, Bucks (0494 33333).

The 1500 series Major/Minor cycling system is claimed to be the first of its kind in the world and is intended for use with gas turbine materials, nuclear power materials, roller bearings, and any other material or component with a high frequency loading pattern.

It consists of an electro-dynamic shaker which produces high frequency cycles and a standard Instron hydraulic testing machine which simulates the major low frequency loading.

Although both of these components are now standard in most material testing operations, the difficulty of combining them has never before been resolved.

Thus, the key component in this equipment is a specially developed unit which transmits the tensile or compressive load from the actuator while allowing high frequency movement of the shaker table—effectively isolating the two loading elements.

Control of both elements is integrated through a central console which provides independent control of each, but with synchronisation between them.

The strain-gauged load cell is DC excited in order to ensure accurate measurement well beyond the desired operating frequency, says the company, and compensation is also made for inertia errors caused by the mass of grips between the load cell and workpiece and by the acceleration of the workpiece itself.

The workpiece to be tested determines the actual frequency ranges covered. Its stiffness, in particular, will influence the choice of frequency over which desired dynamic force can be achieved.

Developed as a result of recent research which established—for the first time—that fatigue was caused not just by low frequency major cycles, but rather by the combined effect of low frequency loadings and vibration-induced high frequency cycles working in concert with them, a typical application of the system will be testing of materials for gas turbine aero engines.

Here, to simulate the operating conditions as closely as possible, the minor cycle frequency is made to correspond to the engine speed. This requires frequency in the band of 200-600 Hz which is outside the range of normal materials testing machines.

DEBORAH PICKERING

● FINISHING

Spray booths come in DIY kits

CUSTOMERS INVOLVED in wet spraying applications and needing the use of dry filter spraybooths can now collect their selected units from a factory which produces a range of booths offered as do-it-yourself assembly kits.

These comprise galvanised steel panels which create canopy sides and a pre-assembled filter unit with extraction fan.

Obvious advantages of money and time saving result from this cash and carry method, and there is no need for trained personnel to erect the booths on customers' chosen sites, says Mindon Engineering (Nottm.), Brookhill Road, Brookhill Industrial Estate, Pinxton, Notts (0773 810034).

Connection to extraction ducting is simplified by a re-designed fan assembly in which the discharge is circular (600 mm diameter) and vertical—spraybooths normally have a horizontal rectangular discharge which requires further tailor-made ducting to fit factory ducting.

Special characteristics involved in the booths include a full width disposable paper filter across the rear panel and a new design of fan with an air flow of 1.27 metres a second, said by the company to be well above the requirements of current health and safety legislation.

Available in a standard range of sizes from a working width of 1115 mm to 7320 mm, most popular booth size is with a working width of 2210 mm.

Of importance to customers siting booths against a wall or in a restricted corner of premises is benefit that access is needed from only one side to remove the fan for maintenance.

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The site will be provided with main services by the Highland Regional Council. Requests for financial assistance will be considered by the Scottish Tourist Board or Highlands and Islands Development Board as appropriate.

The site projects into Loch Leven and has been landscaped by the Scottish Development Agency. There are two harbour inlets either side of the area envisaged for the main development and it is anticipated that proposals will be based on

- a holiday village including approximately 80 self-catering villas; restaurant/coffee shop; public house, shopping units.
- an outdoor holiday centre with accommodation for approximately 60 visitors together with launching and mooring facilities for associated small craft; a boat maintenance facility (west harbour)
- berthing and floating moorings for an initial 60 vessels approximately in the east harbour.

A number of visitor attractions are already scheduled for the site including a Tourist Information and Visitor Centre, Car Park, Craft Workshop; tenders will be invited by separate advertisement for interpretative development of the nearby former slate quarry.

Enquiries are invited for the development of whole or part of the site. Outline proposals are solicited by 28th November, 1980. Detailed submissions from selected applicants will then be required by 31st March 1981. Evidence of financial standing will be taken into account as will a proven track record in this field.

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APPOINTMENTS

CSR energy division management posts

CSR Sydney has made a number of changes in the senior management of its energy division. The general manager, energy division, Mr. E. F. Herbert, will be supported by three deputy general managers, Mr. V. G. Swindon, Mr. D. P. C. Sawyer and Mr. J. K. A. McLeod.

Mr. Swindon will become the deputy general manager responsible for all the energy division's exploration and development work related to coal, uranium, oil and gas and oil shale. This will include overall responsibility for AAR activities and the development of the Hail Creek, Theodore, Brigalow mines and Yarrabee coal projects. Mr. Swindon will assume chairmanship of AAR Ltd.

Mr. Sawyer has been appointed general manager, Thiess Holdings. He is currently president director of P T Koba Tin, a tin mining operation in Indonesia in which CSR has a 37.5 per cent interest, and a director and chief executive of the Australian holding company for this project, Kajuara Mining Corporation. Mr. Sawyer will remain director and chief executive of Kajuara Mining Corporation.

Mr. McLeod will continue responsible for NSW and WA activities. He will assume chairmanships of Buchanan Borehole Collieries and Western Collieries.

★

Mr. Geoffrey E. Knight has taken over from Mr. Edmund Dell as chairman of FENCHURCH INSURANCE HOLDINGS, insurance broking subsidiary of the Guinness Peat Group. Mr. Dell will remain a director of Fenchurch Insurance Holdings.

★

Mr. Michael E. O'Neill, a vice-president in the multinational banking department of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, has been promoted to a new position with the bank in Hong Kong. Mr. O'Neill, who has been based in London for three years, will supervise the bank's multinational banking activities for Asia. Returning to London from Hong Kong is Mr. John B. McVittie, vice-president, who has been promoted to marketing manager for Continental's multinational banking activities in the UK.

★

Mr. Harry Glover has been appointed head of technical services of the PROCESS PLANT ASSOCIATION in succession to Mr. Sam Salter who has retired after 30 years' service.

★

RICOH has formed Ricoh UK to handle the marketing and service of its products in this country. Mr. K. Ihara will lead the company as managing director, with Mr. A. Fukushima responsible for sales and marketing.

★

The AVICA GROUP has made the following changes: Mr. K. P. Roberts, previously general manager of Weatherhead Manufacturing, has been appointed managing director of Avica Special Products, and Mr. G. Sloggett, previously sales manager of Weatherflex, has been appointed managing director of Avica Hydraulics. Mr. W. F. E. Price remains chairman and chief executive of Avica Equipment and chairman of all Group companies.

★

Mr. John A. Soilleux has been appointed a director of COMMODITY ANALYSIS.

★

Mr. H. W. Hipkiss has been appointed production director of SAMUEL BIRKETT, Heckmondwike, West Yorkshire, a subsidiary of IMI.

★

Mr. Robert Seeley and Mr. Peter Ardron have been appointed directors of BARCLAYS BANK INTERNATIONAL from October 1. Mr. Seeley and Mr. Ardron are both general managers of BBI.

★

Mr. Bill Taylor has been appointed KENT county treasurer after six years as deputy. He succeeds Mr. Peter Stoodley, who retires early at the end of this month because of ill health.

★

Mr. John Brooks has been appointed regional production director for AMEY ROADSTONE CORPORATION'S western region. Mr. Barry Jones has been appointed surfacing manager for ARC Western.

★

ACCOUNTING INFORMATION DEVELOPMENT SERVICE has appointed Mr. Lester Kendler a director.

★

PRIVATE PATIENTS PLAN has appointed Mr. Roy Forman as general manager for marketing and sales.

★

Mr. John Grace has been appointed general manager and fire manager of the INSURANCE CORPORATION OF IRELAND.

★

MELODY MILLS has appointed Mr. Malcolm Thomas to the board in a non-executive capacity. Mr. Thomas is currently vice-chairman of Smurfit.

★

Miss Carol Friend has been appointed managing director of PIELLE AND CO following management reorganisation and transfer of client activities from Lewis Walker Associates.

★

Mr. David Layton has been appointed sales director of BIX (UK).

★

ROYWEST TRUST CORPORATION, Nassau, Bahamas, has appointed Mr. Brian A. Ramsey, senior executive for Latin America and the Caribbean area and managing director of its Cayman Island subsidiary Roywest Trust Corporation (Cayman). He was formerly general manager of The Royal Bank of Canada Trust Corporation, London.

★

BANCA SERFIN S.A. has appointed Mr. Peter J. Vermeulen as manager, operations and administration for its new London branch. He was formerly vice-president, of Wells Fargo N.A., London. Mr. Robert H. Ramsay, formerly joint managing director of Sarabex Inc., is joining Banca Serfin as manager, foreign exchange and money market operations.

★

Following the recent announcement that over 90 per cent of shareholders have accepted the offers made by Barclays Merchant Bank on behalf of St. Martins (Industrial), a reorganisation of the Board of HAY'S WHARF has been made. Mr. F. M. Al-Sabah and Mr. F. K. Jaffar have joined the Board. Sir David H. Burnett, former chairman, has resigned from the Board and is retained as a consultant. Mr. M. C. Stanley (former deputy chairman) has also resigned while Mr. D. S. Clarabut, Mr. G. S. C. Clarabut, Mr. R. E. Cook, Mr. M. C. Everist and Mr. D. J. W. Browne have all resigned from the Board, but remain as senior executives with specific responsibilities as follows: Mr. D. S. Clarabut, chief executive; Mr. R. E. Cook, deputy chief executive, finance/business services; Mr. G. S. C. Clarabut, marine services; Mr. M. C. Everist, storage, distribution and packaging; and Mr D. J. W. Browne, oils and chemicals.

★

Mrs. Annie Robinson has been appointed a director of TELEVISION SOUTH-EAST.

★

Mr. Harvey Abrahams, production director with The Marden Kane Marketing Group, joins THE CLARK CONSULTANCY as production and administrative director on September 22.

★

Mr. Vincent A. Ferguson has been appointed vice-chairman of INDEPENDENT NEWSPAPERS. He succeeds Dr. A. J. F. O'Reilly, who became chairman earlier this year.

★

Dr. Anthony Levy has been appointed medical director of the BUPA Manchester medical centre and the BUPA Nottingham medical centre.

★

Sir David Barran, who became chairman of Midland Bank in July following the death of Lord Armstrong of Sanderstead, has succeeded Lord Armstrong as chairman of MIDLAND AND INTERNATIONAL BANKS. MAIBL is owned by Midland Bank, The Toronto-Dominion Bank Group, Standard Chartered Bank and The Commercial Bank of Australia.

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Mr. J. W. C. Poole has been appointed a non-executive director of BLUNDELL-PERMOGLAZE.

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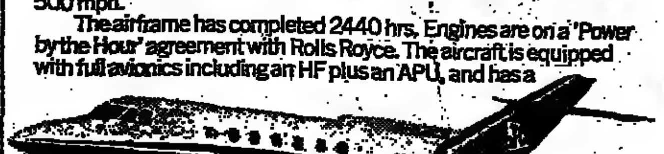

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FINANCIAL TIMES SURVEY
Thursday September 11 1980

Air Freight

Air cargo traffic is in the doldrums. Some major airports report zero growth in business. There have been casualties among some of the leading operators. But the growing use of big-belly freighters offers hope for the future.

CONTENTS

Rates cut to win orders

By Michael Donne
Aerospace Correspondent

THE AIR freight indnstry throughout the world at present reflects a pattern of complex trends. Growth has been affected by the industrial recession in the U.S. and Western Europe, and in some cases zero growth is already being forecast for 1980 as a whole — although in some parts of the world, for example on the route from Hong Kong, freight remains buoyant.

At the same time there has been a marked shift in the pattern of cargn carriage from all-freight aircraft to the belly-bolds of the new generatinn of wide-bodied aircraft. This in turn has resulted in rates being substantially reduced as the scheduled airlines in particular bave been scrambling for traffic, especially on some highly competitive routes such as the North Atlantic.

There has also been a tendency for types of cargo to change. Whereas at one time the trend was for cargoes tn comprise largely high-value goods of low unit weight or volume, the astonishing increase in recent years in the available capacity in the belly-holds of the growing number of wide-bodied jets in service with the scheduled airlines has resulted in an increasing volume nf higher-bulk and lower-valued cargoes being carried — exotic flowers is one case in point, and perishable foodstuffs another.

In this overall situation, the role of the air freight forwarder (as an agent for the cargo shipper) has become considerably more important. He is now in a much stronger positinn to negotiate favourable rates for his shipping customers, and can in fact very often trade off rates from one airline against those of another to get the most favourable deal he can. This has become possible because the virtually "open skies" policy that now prevails on the North Atlaotic has made that route an especially competitive one, while it is alsn having a peripheral ripple effect on cargo rates nn other rontes.

Whereas for many years the International Air Transport Association (IATA), representing the hulk of the world's major scheduled airlines, was a major force in fixing cargo rates (as with passenger fares), the more liberal attitude of the U.S., which bas been followed by some other governments and airlioes which are adopting also the more direct policy of bilateral negotiations, has resulted in an erosion of the IATA authority in cargo rating, and discounting of rates in many parts of the world is more common than ever before.

Thus the current situatinn is almost one of confusion in some areas, with airlines scrambling fnr cargo, and charging almost ludicrously low rates tn win it. While in the U.S. and UK some agents and airlines claim that their business is still good, the more common report is that it is not, and that as a result of the recessioo, even some of the traditionally hig air freight users have reduced their contracts, and trade is harder to come by all round.

Cyclical

Just how long this situation will continue remains tn be seen. As with the passenger side nf the business, most airlines and agents believe that the recession is cyclical and that air cargo business will pick up as the overall economic situation in the Western world itself improves. At the same time, however, they point to the fact that shippers who have in the recent past enjoyed the benefit of cheaper freight rates in a much more liberal market place will not want to return to higher rates nr a more restrictive situation.

The airlines will be bonnd in future to face an intensification nf competition, as more and more wide-bodied jets come nn to the routes and demands fnr lower freight rates themselves multiply. Some indication of the enormous increase in available cargo capacity over recent years can be gauged from the fact that by the end of 1979 there were no fewer than 958 wide-bodied jets in service (A-300 Airbuses, Boeing 747s, Lockheed TriStars and McDonnell Douglas DC-10s), and that at that time aoother 382 remained to be delivered.

updated, with a further inflow of orders, although at a slower rate, during 1980, but deliveries have been maintained at a high level. They do not include the new "semi-wide-bodied" Boeing 767, which if included adds another 135 aircraft to the backing of wide-bodies awaitiog delivery.

When it is coosidered that all these passenger aircraft by the nature of their design have capacious holds, each capable of carrying several tonnes of cargo (15 tonnes in a passenger 747, or 8-10 tonnes in a Tri-Star) and that this capacity is available nn every single flight made hy every aircraft, the total capacity already available is likely to be in the region of many hundreds of thousands of tonnes annually.

Cargo available to fill this capacity is oowhere near as great, however. Thus the world's airlines already have a major gap to fill that will get worse as time goes oo unless they cao find new techniques of generating cargo. This bas proved difficult enough under normal economic conditions, with many airlines finding it an uphill struggle to convince shippers imbued with traditinnal techniques of distribution to change their thinking in favour of air transport.

It is proving eveo more difficult at a time of economic recession. But it is an education campaign among shippers that must be pursued. For the recessioo will not last for ever, and when it ends the airlioes will find the battle for traffic eveo tougher than it was before. Every major airline will be flying more wide-bodied aircraft, and will be seeking cargo wherever it can find it.

For the would-be shipper, this is likely to be good news, even if it causes major financial headaches for the airlines. For it will inevitably mean a persistent downward pressure nn rates, despite the contrary pressures that will also exist for increases to meet ever-rising fuel costs, and inflation in other directions.

To some extent, the airlines are already experieocing this conundrum of demand for cheaper rates while costs rocket. It is even more familiar on the passenger side of the airline business. To some extent the scheduled airlines hitherto have been able to contain these cost increases, and offer cheaper cargo rates, because the space available is flying anyway paid for by the passengers sitting nn the upper deck.

But, increasingly, airline managements, conscious of the need to boost their revenues in every way, are becoming more aware of possibilities inherent in cargo, and are seeking to make it pay its way, and if possible yield profits in its own right.

Thus there are some signs already, even in the recession, of airline resistaoce to give-away rates, and despite the difficulties caused by "open skies" on some rnutes, and the erosion of the IATA authority, it is possible that some rates may harden.

Apart from all this, however, in the long term the outlook for air cargo must he bright. Even before recession struck there were signs that many airlines had begun to realise the enormous potential for revenue inherent in the air cargo business, and some very deliberate efforts to boost the business were heing initiated, in many cases with a high degree of success. At the same time, soaring fuel costs sharpened their awareness of the need to maximise revenues, and this in turn led tn a greater interest in cargo.

Cumbersome

There are many problems tn he overcome. In many parts of the world government formalities remain cumbersome, and air cargo is regarded as an intrusion rather than a positive contribution to economic growth. The principles of computerised handling of both goods and paper-work are ooly slowly percolating through the business, and much more remains to he done here. But, overall, the outlook through the 1980s must remain promising, and the era of massive air cargo expansion has yet to come.

This is confirmed by the IATA itself, which in a recently revised forecast of potential cargo traffic indicated that in the period from 1980 to 1985 inclusive, there would be an average annual increase in cargo worldwide of about 8.2 per cent, even allowing for the effects of the economic recessinn in some key areas such as the U.S. and Western Europe.

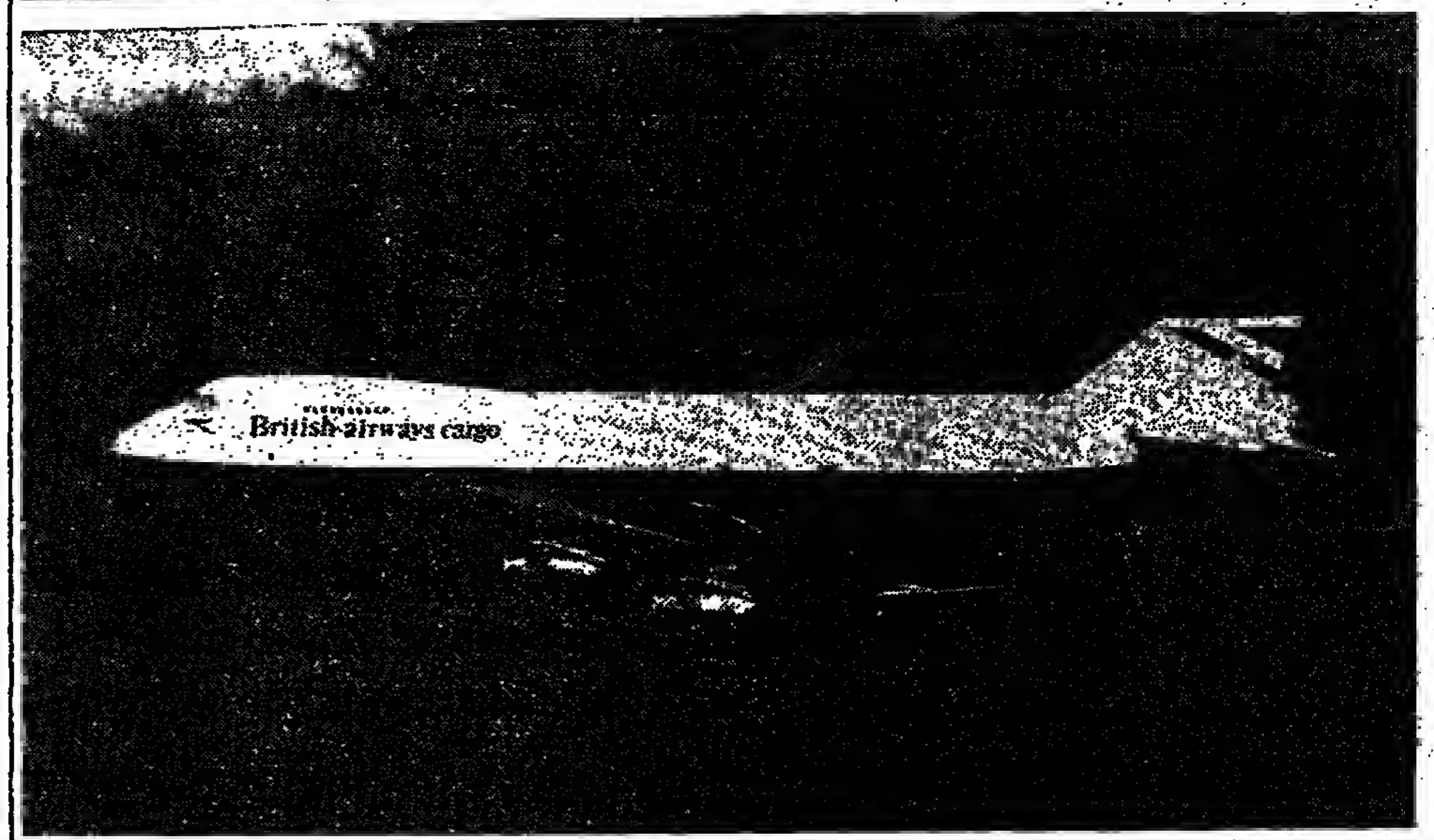
This rate is somewhat lower than the growth rates experienced in the recent past, but the IATA sees some areas of comparatively high freight traffic growth, especially in the south and mid-Atlantic regions as a result of the continuation nf improving economic conditions in major South American and other countries, while the continued buoyant economic situation in the Middle East and Far East and South Pacific is also expected to help freight traffic.

The IATA study suggests that the highest growth rate in air freight is likely on the South Atlaotic routes, nr about 10.2 per cent a year up to 1985, with that between Europe and the Middle East growing by about 9.4 per cent. The poorest expansion rate is expected to be within Europe itself, about 6.2 per cent, reflecting the economic recession.

Ashley Ashwood

Loading freight containers at London's Gatwick Airport

AIR FREIGHT II



Boeing 747 freighter in British Airways livery. The first Jumbo freighter for this airline is scheduled for delivery next month

Revolutionary impact of 747 freighter

IN MID-OCTOBER the already substantial cargo capacity offered by the scheduled airlines will be further expanded by the introduction into service by British Airways of a £40m Boeing 747 all-cargo aircraft capable of lifting up to 100 tonnes of cargo at any one time.

This aircraft, the first of its kind in the UK, will be used by British Airways four times a week between Heathrow and New York, returning via Prestwick to Heathrow, while once a week it will also be flown to Hong Kong, via Dubai, returning via Dubai or perhaps also some point in India. Later, British Airways may use the aircraft on a round-the-world cargo operation, via Anchorage, Alaska.

The effect of the 747 freighter will be two-fold. First, it will revolutionise cargo carriage in that it will be able to fly cargo at up to 30 per cent a tonne cheaper than current all-cargo narrow-bodied 707 jets, as a result of the greater fuel efficiency of its four Rolls-Royce RB-211 engines.

Secondly, as a result of its big upward-folding nose-loading door, and its big side cargo door, the 747 freighter will be able to carry the biggest 20-foot containers, which will enable major shippers to send bulk cargoes—such as car spares, for example — door-to-door from factory to ultimate consumer, using both the 747 freighter and road transport.

Although all the scheduled airlines are now paying much greater attention to air cargo as a means of boosting revenues at a time of industrial recession (which has bit the airline industry hard), British Airways is planning to use the 747 freighter as a major tool in its own bid to boost its cargo revenue from last year's £160m to over £200m in 1980-81.

With over 2,000 staff already deployed on cargo world-wide, British Airways is making a major effort to stimulate business among shippers who have never previously used air transport as a means of distributing their goods. British Airways believes that at a time of recession, when shippers are even more conscious of the need to save money, the long-term benefits of air transport can be expounded even more usefully, so that when times improve — as all in the airline believe they will — the chances of more cargo business will themselves be enhanced.

Although at first sight air transport distribution costs may appear to be greater than those of surface transport, in fact, with the new generation of wide-bodied aircraft, which are cheaper to fly than older, narrow-bodied jets, and with the other savings that can accrue from air transport — cheaper packaging, cheaper insurance and faster delivery times resulting in faster turnovers and thus less cash tied up in the distribution pipeline — air transport is a very competitive method of distribution indeed.

Factually

British Airways endeavours to point this out factually to potential customers, through its Distribution Advisory Service, whereby the comparative costs of a potential shipper's distribution system can be worked out on the spot on a mini-computer.

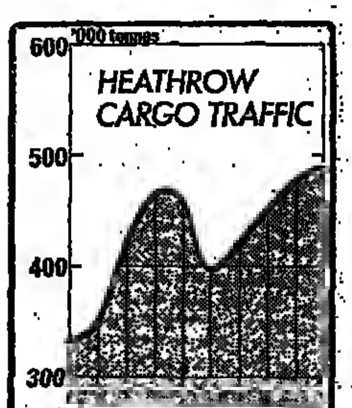
In the shipper's own office, the mini-computer can be plugged into the British Airways' cargo computer data bank via the shipper's own telephone, so that the complete details of the distribution costs of the goods in question can be provided within minutes, for comparison with the costs of using other forms of transport.

In this way, British Airways' cargo salesmen can often prove to a sceptical shipper that he is in fact wasting money, especially at a time of recession, in not using air transport.

This Distribution Advisory Service is a key weapon in British Airways' atack on world cargo markets, in trying to reach the shipper who has never used air transport before and indeed perhaps has been afraid to try because of unsubstantiated fears of heavy costs. With the growing use of wide-bodied jets, and the substantial reductions in rates that these can provide, British Airways is convinced that it can persuade many of the so far unconverted to come into theair cargo fold. Its target is those industries and businesses that do not use air cargo, rather than those who already do, although the latter are certainly not being ignored in the battle for new cargo business that is now in progress.

Michael Donne

Heathrow centre on hard times



HEATHROW AIRPORT, Britain's busiest in terms of the value of cargo imported and exported last year (£11bn) has hit hard times. This year's zero growth rate for air freight exports from the airport's cargo centre has raised fears of a downturn similar in scale and impact to the depression which hit Heathrow's cargo trade in 1975-76.

The tonnage of cargo handled by the airlines operating out of the cargo centre, all-freight airlines and the mixed passenger/freight operators, fell by an unprecedented 14.4 per cent over the 1975-76 period compared with the previous financial year.

The growth in export and import trade since then has oscillated between 7.5 per cent and 5 per cent and in terms of the record 22.3 per cent growth in tonnage of cargo handled in 1972-73, has represented only a very uncertain road to recovery for the cargo operators.

Their worst fears were realised in the last financial year which ended in March, when the volume of cargo handled at Heathrow grew by a marginal 2.5 per cent. Since the year-end figures, trade has slackened substantially and the latest figures from the British Airport Authority (BAA)—for June 1980—show that cargo traffic at Heathrow fell by 8 per cent compared with the corresponding month last year.

BAA, which owns Heathrow and its cargo centre, reported in July that Heathrow Airport handled just under 491,000 tonnes of cargo in the period 1979-80. This represented the lowest growth for four years and came in the wake of a steep climb in freight rates.

With mail, which grew at a more respectable 6.7 per cent compared with the previous year, the total of goods handled by the airport came to 550,486 tonnes, a record for Britain's biggest airport.

Airline cargo managers say the air cargo import trade is still "holding up." British Airways says imports in July were up 17 per cent compared with July last year. But on the export front the volume of trade is showing all the signs of worsening still further.

One result is the 20 per cent or more cuts in air freight rates announced by the major cargo operators, including British Airways (BA) in July, in a desparate attempt to win business . So far, however, there are no signs the cheaper rates have had any impact on encouraging traders and manufacturers to move more of their products by air.

Illustrated

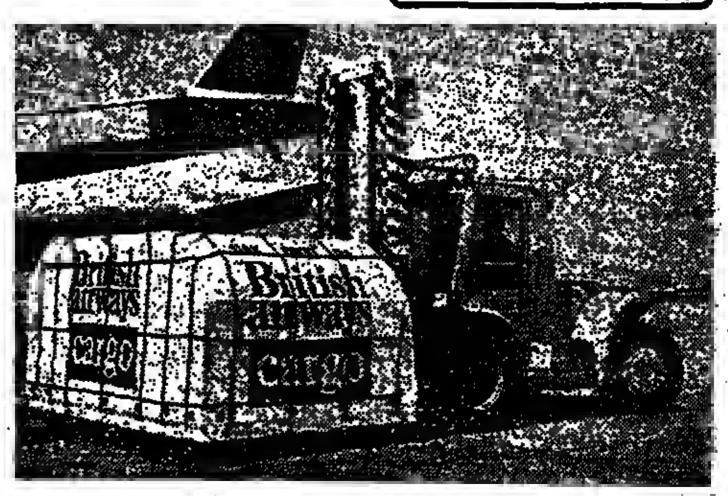
The depression in the market is illustrated by the current spare freight capacity on the once-lucrative North Atlantic routes between Europe and the US.

BA estimates that only about a quarter of the current 4,000 tonnes of air freight capacity on the routes is now taken up with cargo. It claimed earlier this year, before the scale of tha depression in air freight was realised, that its share of the transatlantic air freight market had risen by 9 per cent. On westbound services, British Airways Cargo, in April, had won 28 per cent of the market.

Worldwide the company's operations are expected to earn £200m revenue this year. This would be 13 per cent of the airline's expected total revenua from all operations, and although the figure is relatively small compared with tha importance of the passenger sector, it still plays a vital role in helping the airline to optimise its income from expensive aircraft and ground handling equipment.

British Airways' base for cargo operations is its "Cargocentre" warehouse complex at the London Airport Cargo Centre, the unofficial name given to the collection of warehouses and bonded stores leased to airlines by the British Airport Authority.

About 85 per cent of the airline's tonnage is handled by the Cargocentre and last summer BA announced plans to build a new container handling unit at the centre to help speed the flow of cargo into the airline's import warehouse.



British Airways' ground handling facilities have been reinforced by the addition of two of Hyster's new Challenger range of fork-lift trucks

Construction is expected to ba completed in a few weeks and will have cost BA over £1.4m. This is the first stage of a long-term plan to modernise and expand the Cargocentre.

Last June BA said the total cost of the improvements—including a mechanised air freight container handling system—could be about £20m. This now looks like an over-ambitious scheme in view of the severe downturn in air freight demand and the poor results of the airline in the last financial year—which showed a retained profit of only £4m, on a turnover of £1.92bn.

The airline has already said that it may have to sell some of its older aircraft—and its new aircraft equipment programme, although unlikely to be cancelled, is expected to be postponed until there are surer signs that the market has picked up.

However, the airline is still going ahead with its plans to purchase its first all-freight Boeing 747 aircraft, although it tried to postpone and even withdraw from its agreement with Boeing because of the zero growth prospect for freight in the immediate future.

The new aircraft will be delivered this month and is planned to operate a new round-the-world freight service with the first aircraft operating four times a week from London to New York and back via Prestwick, and once a week from London to Dubai, Hong Kong, Tokyo, Anchorage and back to home base at Heathrow's Cargocentre.

Despite the uncertainty, the airline's plans for its import centre are going ahead with the aim of trebling the storage space with the help of lifts and specially designed vehicles.

Other developments already started by BA at its Cargocentre at Heathrow include its first "shuttle" service for freight. Cargo travelling between London and Paris, on British Airways and Air France services, may now be carried without prior booking, on the next available flight after arrival by road at the Cargocentre. Capacity is almost

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Charter operators squeezed

SEVEN YEARS ago, when the volume of cargo being carried *on services operated* by the independently owned charter airlines had reached such proportions that the schednled airlines had become seriously concerned at the *loss of revenue* they were suffering, Sir David Nicolson, the then chairman of British Airways, made a statement which, if it has not exactly proved prophetic, unwittingly predicted the fate which has overtaken the charter airlines in recent months.

"If we do not get a rate structure which is competitive with charter operator retes," Sir David said, "we, the scheduled airlines, *shall* have to *gradually* move more and more into charter operations ourselves."

In fact, the scheduled airlines have not moved any further into the cargo charter business than they were at the time of Sir David's statement, bot they have become *so* competitive in the rates they are offering—which are not always in accordance with the International Air Transport Association (IATA) rate structure—that they have succeeded in driving ont of business the two British independent airlines which together carried the lion's share of all cargo in and ont of UK airports—and to a lesser extent of the principal European airports—on charter services.

The two were, of course, IAS Cargo Airlines and Transmeridian Air Cargo (TAC)—the latter having heen rescued from collapse by IAS which was re-named British Cargo Airlines shortly afterwards and became the largest cargo charter airline in terms of aircraft capacity in Europe. In March of this year, seven months after the rescue of TAC, British Cargo Airlines went into voluntary liquidation owing some £6m.

The cards that were stacked against British Cargo Airlines *were not* so much the increases in the cost of fuel and other operating costs—factors which face all airlines—but quite simply the proliferation of bellyhold capacity for *cargo* of the wide-bodied passenger aircraft operated by the scheduled carriers—the Boeing 747s, Douglas DC-10s and Lockheed TriStars.

When Sir David Nicolson spelled out how the scheduled airlines would have to get to grips with the charter carriers the 747 had heen in operation for little more than *three years.* It was the only wide-bodied aircraft in service and at that time its numbers were limited: a freighter version was still in the production atage.

Dominated

In its early years of operation of the 747 was concentrated *mainly* on the Nnrth Atlantic route, a route which was virtually closed to the charter operators and one which, since it was dominated by the scheduled carriers, they had no intention of entering except, perhaps, for an occaslonal ad hoc flight. The 747, with a full passenger load and their baggege, ia able to accommodate *30* tonnes of cargo; with the Dongias DC-8 and Boeing 707 in hoth passenger and freighter roles, the capacity across the North Atlantic provided by more than 20 scheduled airlines operating on the route with these aircraft types was—and still is with the later types—more than adeqnate to meet the cargo requirement.

The charter carriers developed and explnited the routes which were not yet served by tbe wide-bodied aircraft, and on those rontes they were hard pressed to meet the demand wbich the new low rates they were able to charge created. The delay of anything up to a week, *but* more *usually only* two or three days, in the time taken for a consignment to reach its destination by charter flight proved of little consequence to *the increasing band of shippers* who were literally queueing for space. Their concern was the savings they were able to effect by using the charter operators instead of the scheduled ooes whose rates, fixed by IATA, were, to almost all destinations, more than double those of the charter carriers.

Hong Kong, Singapore, *the* Middle East and Gulf States, Gbana, Kenya and Zambia were the plum routes dominated by the cbarter operators, and in spite of the limitations imposed by the UK's Civil Aviation Authority (CAA) on the number of *flights* they *were permitted* to operate between any two points during a twelve-month period, they were carrying one-*tenth of* all cargo moving in and out of British airports, nearly all of it on what became known as split cbarter flights.

The limitation on the number of flights they could operate, coupled with a restriction on the weight of individual consignments making up a split charter (500 kilos), made the propeller-driven CL-44 and Boeing 707 aircraft types heing used by the indepeodents adequate for their particular operations.

Then, in the autumn of 1977, the scene changed. Tbe CAA, uoder mounting pressure from the three major British operators of the day—IAS, Transmeridian, and Tradewinds—and despite considerahle opposition from British Airways and British Caledonian, as well as some of the foreign carriers, decided to *unleash* the *charter* carriers. Thenceforth they were free to operate without restriction to almost anywhere in the world where they could ohtain *landing rights.*

The CAA had taken the first step towards de-regulation of the air transport industry, using the charter operators as guioea pigs. And it proved to be the latter's undoiog, as subsequent events have shown.

With the world seemingly now their oyster, the independent charter operators lost no time in expanding. New and bigger aircraft were added to their existiog fleets and additional crews and ground *staff* were *taken* on to fly and handle them with marketing and sales staff recruited to provide the back-up; modern handling equipment was ecquired along with greater warehouse accoinmodation and office space; aod all the time the *scheduled airlines* were progressively introducing wide-bodied aircraft, with their enormous bellyhold capacity for cargo, on their services over the very routes which the charter carriers had developed and which had been providing such a bonanza fnr them.

Narrowed

As fuel prices and operating *costs* increased the *charter* airlines were forced to raise their rates. Ironically, because the scheduled carriers' revenue derived mainly from their passenger load factors they were ahle to hold theirs, or make only marginal increases in them. In addition, they started to offer a number of innovative incentives to attract shippers back to their services, and as fuel and otber costs escalated and the cbarter operators raised their rates to meet them and the financial drain of their new *investments* in aircraft, *staff* and premises, the rates gap between the two narrowed.

Competitioo from European-hased charter airlines like *Martinair* in *Holland* and *Cargo*lux in Luxembourg end Lufthaosa's charter subsidiary, German Cargo Services, all of which were offering highly competitive all-in rates for trucking shipments from the UK to fly on their services to destinatioos served by the British charter carriers, added to the pressure which ultimately led to the demise of Transmcridian and then British Cargo Airlines. *They* lost *their share of the* market to the scheduled carriers and their competitors on the other side of the Chaooel.

In any assessment of where the future lies for those charter operators which remain one iodisputable fact emerges. It is that there will always be a requirement for them—albeit in a rather less flamhoyant role than the one which they carved out for themselves, and enjoyed, over the past decade.

Their future undoubtedly lies in *acting as supplemental* carriers for the scheduled airlines — providing additional capacity on routes where it is limited, mainly to newly developed countries where markets are being opened up, in operating to destinations off the routes of, and *not served by,* the scheduled carriers, and in the transport of outsize loads too beavy or too large to be carried in the aircraft of the scheduled airlines.

As more and more scheduled carriers withdraw from the operation of freighter aircraft—as they are progressively doing—there will continue to be a role for the independent cbarter operators. But it will clearly be on a very limited scale compared with the past.

Peter Hering
Air Freight Editor,
British Shipper

How the European charter operators with their wide-bodied aircraft score over their British competitors. This fleet of Ronge Rovers was shipped by seo to Holland and then taken by road to Amsterdam's Schiphol oirport to be flown in one of the Dutch Martinair group's DC-10s to the Middle East


A corgo corrier of the future. Four of these airships have been ordered by Redcoot Corgo Airlines, a relative newcomer to the ranks of British charter operotors. The first is due to stort operating in 1984. It can carry 58 tonnes of cargo, taking 2½ days to cross the North Atlantic and a similar time to reach the Middle East

Hard times

CONTINUED FROM PREVIOUS PAGE

always available as the BA TriStar is ahle to carry 10 tonnes of freight and there are six flights a day.

Mr. Frank Hudson, the commercial manager for British Airways Cargo, said the scheme may be extended to other routes if it proved to be successful on the Paris service. The aim is *to generate new freight traffic,* especially from other modes of transport, a strategy also adopted by the Distribution Advisory Service run by the airline.

The service is hased on computer programmes designed to find the total *costs* of distribution for potential customers. These include the costs of warehousing, distribntion, stockholding, transit times and trans*shipment costs.* The computer programmers ettempt to compare various transport modes to give the optimum mix of transport modes for a particular route.

Expected

The airline plans to update the system this autumn with an order for a U.S. microcomputer, using the latest disc information storage system. The total cost *is expected to* be approximately £12,000, although no final decision on which computer to use has been taken.

This computer will be very small in comparison with the main "BACCHUS" computer used to *help process* and store information on every item of cargo passing through British Airways' 422,000 square feet of cargo space at Heathrow. Display units are positioned next to the telephones used to receive many orders and information *can be fed into the system* as soon as it is received.

BA is helped by the large number of freight forwarders who act as intermediaries between manufacturing companies and their customers, and as much as 80 per cent of the airline's husiness now comes from agents and forwarders.

These companies are likely to get even more husiness from the state airline as it continnes its attempts to cut manpower and raise productivity while maintaining ambitious expansion plans for the future. Staff *numbers* of *British Airways* Cargo have been cut by 3 per cent a year in recent years and the current total of 1,800 is expected to he further reduced by the airlines policy of not replacing staff who leave.

In particular, British Airways plans to get outside companies to handle up to half of all its container movements over the next five to six years. Only 17 per cent to 18 per cent of all the *airline's containers* for exports are currently handled by outside agents and forwarders.

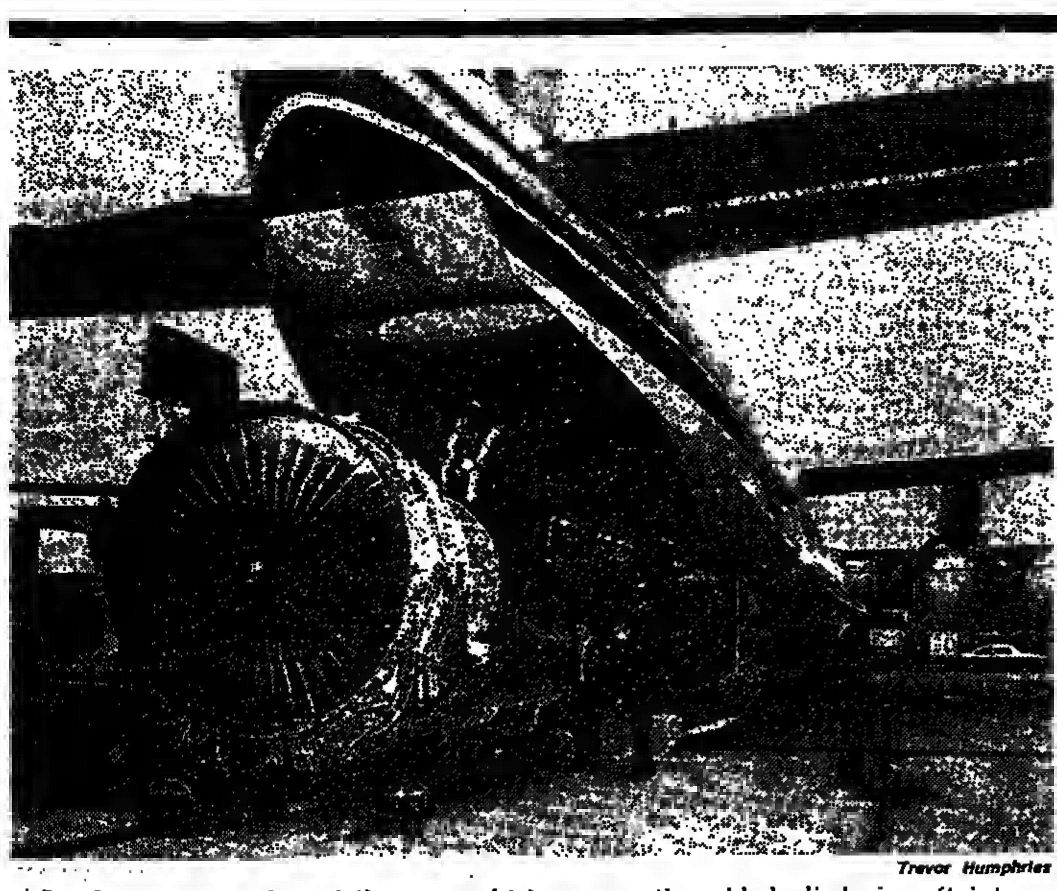
The proposed change will demand extra space at the BA Cargocentre for air freight forwarders. This probahly will result in an extension of the Heathrow Forwarders Bond storage area now housed under the same roof as BA's import and export operations.

Other changes at Heathrow likely to be announced in the next two years include the replacement of the London Airport Computerised Entry System—LACES. This monitors the flow of cargo arriving at Heathrow ready for clearance by HM Customs.

LACES is run by the Post Office's National Date Processing Service, but was ahut-down for three months in the last financial year at the height of *disruption by civil servants.*

The system is rapidly coming towards the end of its useful *life* and will have to be replaced in 12 months to 18 months time. The planned replacement is a system known as ACP 80, although no final de*cisions* have been made.

Lynton McLain



Trevor Humphries

Loading a jet engine of the type which powers the wide-bodied aircraft into a HeavyLift Cargo Airlines Belfast freighter

Heavy casualty list among the specialists

THE PAST 12 months have been a period of change and uncertainty for air cargo operators, yielding a mixture of good news with word of financial disaster.

In March British Cargo Airlines, once Britain's largest single air cargo operator, announced that it had asked the National Westminster Bank to appoint a receiver and manager for the group. The airline said the action was necessary because of "escalating avistion fuel prices, severe price competition resulting in the aircraft fleet being under-used, and the decline in world trade."

The unprofitability which sparked the action of appointing a receiver started last year and then increased with no signs of any stability returning to the airline's affairs. A pre-tax profit of £1.3m was made on turnover of £28.3m in 1978-79. But in the first six months of the past financial year the company announced a loss of £805,000 on a £15.7m turnover.

These results included for the first time the consolidation of the original company, IAS Cargo Airlines with the Transmeridian Air Cargo airline, a Trafalgar House subsidiary.

The acquisition of Transmeridian Air Cargo coincided with a severe impending contraction of the air cargo market combined with rapidly escalating costs and a bout of rate-cutting by agents which aimed at increasing the amount of freight carried by air.

The specialist air cargo carriers also felt the impact of the greater efforts by the schedoled airlines to make maximum use of existing passenger aircraft bold capacity.

British Air Csrgo's initial response to the loss — "the first occasion for a number of yesrs that tha company has not made a profit" — was to sell its eotire fleet of seven CL44 csrgo aircraft and keep only the fleet of six DC8 jet aircraft.

Suspended

Eventually the British Civil Aviation Anthority suspended the airline's operating licence and other cargo operators, in particular Tradewinds, based at Gatwick, took over British Cargo Airlines' prime contracts, including the cootract to carry Austrslian meat by air.

The story of British Cargo Airlines finslly came to an end on April 28 this year when it was compulsorily wonnd up. A debt of over £26,000 remained outstanding.

But although the impact of rising operating costs in a falling market increasingly dominated by the scheduled passenger airlines led to the end of British Cargo Airlines, the rationalisation in the industry had other and more positive affects.

March also saw the setting-up of a new, highly specialised air cargo operator, HeavyLift Cargo Airlines. The company was formed by the Cunard Steamship Company, part of Trafalgar House Gronp, and Eurolatin Aviation, part of the Eurolatin Group.

The company has come into being at a time of general difficulties in the air cargo market. Bnt that it will follow the path of British Cargo Airlines in tha immediate future is made unlikely by the new company's marketing strategy.

Instead of opting for aircraft similar to those operated by most other cargo operators, such as the narrow body DC-8s or Boeing 747s, HeavyLift Cargo Airlines, as the name implies, chose three of the 10 Belfast strategic freighters formerly used by the Royal Air Force.

Up to £4m was spent in modifying the Belfast freighters for use in commercial air cargo operations. The first of them was involved in a specialised cargo role in the spring, ferrying defence snd other equipment overseas from HeavyLift Cargo Airlines base at Stansted Airport, Essex.

The second Belfast freighter was brought into service in tha summer and the third is expected to be completed by the end of the year. Demand for the specialised, heavy load and high capacity features of the Belfast was such that the company had to turn away work until the second aircraft was completed.

The company's managing director, Captain P. J. McGoldrick, said earlier this year that the size of the aircraft had surprised many people. Very bulky items that had been considered only for sea travel were now a viable proposition by air, he said.

One advantage of the Belfast's specialised characteristics for companies with cargoes to mova was the reduction in the costs of port charges, packing costs and even insurance rates.

HeavyLift Cargo Airlines has won a number of highly specialised air cargo contracts since operations started in March. These include the spectacular delivery of Westland Sikorsky S-61 helicopters to the Middle East from England and the contrsct to airlift 35 BAC 1-11 airlina fuselage assemblies to Romania over the next five years.

The company also has won a contract to return back to Britain—in one trip—all the display material associated with a recent British aviation exposition at Shanghai, China.

A potentially highly lucrative contract is currently being negotiated with Boeing and Aeritalia to airlift components for the new generation of 757 and 767 airliners from Italy to Boeing's plant at Seattle.

Tha longer term aim of the company is to develop relations with potential industrial customers with a view to encouraging engineers and designers to modify industrial designs and manufacturing activities to make the resulting products matcb tbe heavy lift capability of the Belfast.

Each Belfast freighter now has a capacity of 320 cubic metres and a maximum lift capability of 75,000 lb, or 33 tonnes. But it is often the volume capacity that has attracted customers rather than the heavy lift capability. HeavyLift Cargo Airlines has chartered space to Lufthansa to air freight low-weight high-bulk textiles from India to West Germany. Mobile surgical bospitals and drilling rigs have also been carried for other customers.

The high demand for the aircraft suggests that the market may be able to support more capacity and HeavyLift Cargo Airlines is now talking with Rolls-Royce about the possibility of purchasing extra engines for the two Belfast aircraft bought by the company without engines. The company's total operational fleet of Belfasts would be five, if agreement can be reached with R-R.

New equipment for the general operator and the specialist air freighter will be on show at the "Airfreight in Action" exhibition to be held at Heathrow Airport from September 17 to 19.

Immovably

One of the novel developments on show will be the "pneumatic track system" developed by Hydraroll to solve the problem of "shunting" of cases or pallets into ons another while the cargo is in transit. Compressed air enables the rollers to be raised above the roller track level allowing free movement of loads. By releasing the air flow, the rollers retract, leaving the cargo sitting immovably on the tracks.

Other new equipment for air cargo handling is described in the new British Airport Equipment Catalogue. This was lsunched at the Farnborough Air show with the support of the British Overseas Trade Board, the British Airports Authority and tha UK Civil Aviation Authority. Five thousand copies of the catalogues have been aent to senior management in airports, airliner and civil aviation offices across the world.

The catalogue is the first of its kind to be launched in Britain and follows and initistive by the National Economic Development Office affer concern that Britain had no centralised, co-ordinated marketing approach to the sale of equipment for the lucrative airport eqnipment market.

The activities of over 200 Britisb companies are included in the first edition of the catalogue and a second edition is to be launched next year.

Lynton McLain

Airlines unhappy with forwarders

SINCE NO less than £207.6m was contributed towards the revenue of the airline members of the International Air Transport Association (IATA) by the UK's IATA-approved forwarders during the wbole of last year for the cost of carrying freigbt on services out of British airports, the dependence the airlines place on the forwarding industry and the extent to which it can affect their fortunes will be readily appreciated.

Yet below the surface—and not only in the UK—dissatisfaction has been simmering for some time among the cargo chiefs of the scheduled airlines about the failure of the forwarders to generate a greater volume of traffic.

Although revenue originating from the forwarders last year increased by £13.4m over the 1978 figure, it showed up unfavourably against the 1978 gain of £19.6m and even more so wben compared with the 1977 revenue increase over 1976, of £31.4m.

Maintain

Taken over the five years since the forwarders first topped the £100m mark in 1974, their revenue to the airlines has almost exactly doubled, and although this bas produced an impressive figurs, the airlines maintain that the increase represents no more—and in some years less—thsn the increases that bave been made in their cargo rates during the same period and doas not represent any significant growth in tonnsge shipped on their services.

It is this more than any other factor—and there are others—that has triggered off the rupture which currently prevails in airline-forwardsr relations and bas led to the below-the-surface simmsrings actually breaking surface, ss they did last month when Britisb Airways took the unprecedented step of withdrawing its agreements with more than a dozen IATA-approved forwarders under which they act as sales agents for tbe airline. In the past this is a measure which has been resorted to only in the event of a forwarder defaulting in payments due to an airline, and in such cases the agreement has been restored wben the position has been rectified.

The effect of the action British Airways has taken means that the forwarders concerned will no longer receive commission—currently 5 per cent—for any shipments they may pass to the airline; nor will they be able to use its air waybills. They will in fact be in wbat could prove to be an embarrassing situation since—apart from the obvious loss of prestige the withdrawal of the national carrier's sales agency will inflict—it is possible that other airlines could take similar action if they are disssatisfied with the volume of tonnage being shipped on their services by the same, or other, agents.

British Airways' decision to act was taken only after it hsd issued warnings to more than 20 forwarders a year ago that the airline wonld have to review the continuance of their sales agency agreements unless there was a considerable improvement in their tonnages.

As it transpired, the ultimate measure was not laken against all those who were warned but the airline has made it clear in discussions with the forwarders that the cost of maintaining accounting systems and other administrative services, including back-up support, can no longer be justified wbere revenue produced by a forwarder fails to meet acceptable levels and that henceforth annual reviews will be carried out of each forwarders' billings. Should these fall short of levels set by the sirline therc is little doubt that other forwarders will run the risk of having their sales ageocles withdrawn.

Currently, there are 161 forwarders on the UK mainland who bave mstched up to the various standards of competence, financial stature, premises suitability and handling equipment set by IATA to operate as accredited sales agents for the Association's airlines—a function which is automatically bestowed on obtaining their IATA hallmark. In 1974 they numbered 117, but each year as new forwarders set up and existing ones which bave failed to measure up to IATA's requirements in the past are granted accreditation, the number increases.

Of those carrying the IATA seal of approval at the last count, only forty-four were listed among the "elite" contributing £1m or more during last year to tbe airlioes. Topping the list, as it has done traditionally during most of the last ten years, was Pandair, a member of the P & O shipping group, cbannelling £17.2m ioto the coffers of the IATA airlines compsred with £12.5m of runoers-up Air Shippiog Agencies (ASA), owned by Jardine Matheson.

Originating

Tbese two, with the other forty-two in the "millioaire league," were responsible for approximately £65m of last year's total forwarder revenue to the scheduled airlines for cargo carried on their services originating in the UK. Io sddition, the forwarders are likely to bave spent another £100m in carriage charges with the airlioes which are not members of IATA—among them the all-cargo carrier Seaboard World, Pan American, Gulf Air and others—and with the UK-based and European charter operators.

These totals represent about 80 per cent of all cargo traffic carried on the scheduled airline services aod slightly less of the total shipped on charter flights. It is a formidable contribution to airline revenue and its significance was underscored earlier this year when British Airways disclosed that for the first time freight carried on its services during its 1979-80 financial year exceeded growth of its passeoger traffic during the same period.

In spite of this, Britisb Airways, in particular, has no besltation in voicing its disenchantment with the apparent inability of the forwarders to geoerate a greater volume of traffic for carriage on its services, operating as they do over the largest network in the world. Similar sentiments are being expressed by the national flag carriers of other countries operating out of the UK.

One of their main bones of contention is the increasing volume of freight the forwarders are shipping on charter services, the lion's sbare of which, since the demise of British Cargo Airlines, is now being trucked to Amsterdam, Brusseis, Frankfurt and Luxembourg for carriage on flights operated from those airports by highly efficient and cost-cutting European, Middle East snd African charter airlines.

Prompted

It is these two factors that have prompted British Airways to take a tougb line with the forwarders in the bope that it will create the response it is seeking from them. While other airlines bave not yet followed the British Airways line of cancelling sales agency agreemeots, they too are now giving the forwarders food for thought by concentrating much of their sales effort directly with the shipper instead of with the forwarders as hitherto.

An example of this was empbasised by TWA's cargo vice-president during a recent visit to London wben ha stressed that his airline's cargo msrketiog strategy was now to "move away from the middleman" and take advantage of the commercial market by selling direct to shippers.

This policy is also being followed increasingly by British Airways, wbose latest sdvertising in the trade Press is not only addressed to the shipper, but breaks with traditioo by inviting him to respond directly to the airline instead of to a forwarding agent.

What is perhaps ironic about this new strategy of the airlines — which some forwarders describe as being a stab in the back — is that at the very same time as it is being implemented, the forwarders through the Air Freight Institute of the Federation of International Forwarders' Associations (FIATA) has recently set up a joint working party with IATA — which in the past has steadfastly refused to enter into discussions with the forwarders, or negotiate with them — for the very purpose of establishing a more co-operative working relationship between the two sides of the industry and an agreement leading to forwarder involvement in decision-making on matters of common interest. These are wide ranging and include such things as rating structures, rules for consolidation (groupage) traffic, limiting the approval of new agents and the imposition of penalties on agents who transgress the rules.

For just how long the forwarders will remain the whipping boys of the industry remains to be seen. What is clear is that the prevailing recession provides them with an ideal opportunity to take a long hard look at their own marketing and sales strategies to discover just where the weak links lie — which is exactly wbat the airlines want them to do.

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THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Despite cuts, advertising will be screened from the worst of the recession

Agencies' resilience put to the test

THE PICTURE is patchy, but there are belated signs that the advertising business, whose fortunes of the past nine months has contrasted violently with the ills of its clients, is coming under strain. Budget cuts, superimposed upon the severe cost inflation of the past three years, mean that margins are vulnerable and redundancies certain. On some estimates, up to 1,700 jobs could be at risk, although marked productivity gains of the past few years mean that most agencies are already well screened from the full fall-out of recession.

There is still no concrete sign of the severe shake-out in advertising that some expect—at least nothing to match the upheavals of 1973-74. But pessimism is setting in, and there are indications, even among those most able to grin and bear it, that the going will be hard until well into next year.

It is impossible to generalise. Wasey Campbell - Ewald, Britain's 11th biggest agency, said this week that it was considering staff cuts that might range as high as 10 per cent (its current payroll totals 225).

On other hand, the Big Four—J. Waltar Thompson, Saatchi and Saatchi Garland-Compton, D'Arcy-MacManus and Masius, and McCann-Erickson—are still relatively sanguine. Not one of them admits to a single lay-off, and although their fortunes have obviously varied, none is anticipating any real trouble until the start of next year, even though the great boom in expenditure has come virtually to a halt.

Relating specific agency lay-offs to the general downturn in advertising, let alone to the wider issue of whether manufacturers, this time around, are readying to protect or scuttle the marketing effort, is impossible. All agencies are different and some would be prospering, recession or no.

At Wasey's, chairman Colin Goodson says that although there have been few redundancies to date, it is "quite on the cards" that up to a tenth of its 225-strong workforce could go. "So far this year, the agency as such has done very well, but because of pressures on our clients, we have to economise." Wasey's handles a lot of appliance and retail advertising, but the impact of cuts, it says, has been felt across the board.

Last year Wasey's billed £39m. This year it could have expected £49m. In the event, it is likely to bill £40m. "At our most pessimistic," says Goodson, "billings could be down by 20 per cent. We have to economise. Broadly, an agency has only two major costs: rent and people. It is my view that pressures like this are being felt generally."

But not among the Big Four, at least not currently, or at any rate publicly. Between them, JWT, Saatchi, McCann and Masius billed £260m in 1979; this year, it will exceed £310m.

At JWT, which has in any case added on a weight of new business in the past five months, managing director Michael Cooper-Evans says no lay-offs are planned. "There were 549 of us yesterday and there are 549 again today. It fluctuates, of course, due to normal comings and goings, but apart from the fact that we have taken on a lot of extra business, we have not so far been informed of a single major budget cut. Inevitably one is nervous. To date, manufacturers have gritted their teeth, but the time will come when sheer financial pressure obliges them to take a much more brutal view."

The pattern is highly volatile. BL, one of Saatchi's biggest clients, has this year virtually doubled its expenditure (to £10.5m) because of the desperate struggle in the car market and it is factors like that, alongside heavy spending by importers, that are distorting the picture.

On the other hand, Saatchi chairman Tim Bell says that he, too, is unaware of a single major budget cut. "We employ exactly the same today as 12 months ago. We are laying no one off. It remains my general impression that manufacturers are indeed taking the view that the severe advertising cuts of 1973-74 were a mistake that cost them more when it came to winning back brand franchise than was saved in the first place."

At Masius, chairman David Lee says there is "no question" of lay-offs. Buoyed by the recent gain of Talbot's £6m account, as well as McDonalds, billings at Masius are running well ahead of forecast, although as David Lee says, "you have got to have growth, otherwise the fat of the first quarter will have disappeared"—a reference to the carry-over effects of the ITV strikes.

In any case, in common with most of its rivals, Masius is today a much leaner shop than formerly, thanks to the productivity gains virtually imposed upon the industry by the advertising recession of 1973-74. At one stage its payroll numbered 600, handling half the work it has today; the figure is now 450.

"Advertising was usually the first category of expenditure to be switched off," says David Lee. "Now it appears to be the last."

The McCann group, which at one time employed 700 but now has around 625, is not contemplating lay-offs, although chairman Ann Burdus is "fairly pessimistic" about prospects in general. "I have nothing really to go on. Those who were going to make cuts have made them, otherwise the budgets are still there. It is the picture for next year that is so unclear."

At the Institute of Practitioners in Advertising, director David Wheeler says there is very little real fat on agency pay-rolls. "Reductions, if they occur, will be the product of natural wastage and good dieting rather than hard fasting, and will probably be felt in the area of general administration."

Even on an aggregate basis, the numbers involved in the advertising business are small. In 1972, the number employed in all IPA agencies was 14,864. At the height of the shake-out it fell to around 13,500. In 1979, according to IPA figures, the total had recovered to 15,272, a gain of 408, or a mere 2.7 per cent, on 1972.

It is the agencies' claim that advertising is not at all the frivolous business it is sometimes portrayed, but one that is large, resilient, efficient, stable and broadly-based. Large it is, and broadly-based it has become. What is now to be tested is its efficiency and resilience.

On the evidence so far, it could pass with flying colours.

Left to right: David Lee, chairman of Masius: "No question of lay-offs." David Wheeler, director of the IPA: "There is little real fat on agency pay-rolls." Michael Coopen-Evans, managing director of J. Walter Thompson: "We have not been informed of a single major budget cut"

IPA Agencies—Total Employed

	All	London	Outside
1972	14,864	11,739	3,125
1979	15,272	11,343	3,929
	+2.7%	−3.4%	+25.7%

What to do when the lights go out

AS THE RECESSION deepens, more and more companies will be seen donning firemen's gear, and abandoning any pretext of proper tactical planning, let alone analysis of the wider competitive environment in which their products are battling.

Yet as Tom Cannon, lecturer in marketing at Durham University Business School, writes at the end of a recently-published book (Basic Marketing: Principles and Practice), recession is a recurrent feature of economic life, and study of the major recessions of the past 100 years provides valuable insight into the actions generally adopted by companies to cope with reduced opportunity, or even threats to their survival.

According to Prof. Cannon: "Although belt tightening is a natural, perhaps inevitable, result of economic contraction, it is not necessarily the optimum policy for a firm to adopt."

He says there is plenty of evidence to suggest that companies have a great deal more control over their destinies in a recession than threats and warnings might suggest.

The principle holds good, for according to Prof. Cannon, "the key decisions and steps taken during a cut-back are likely to be about the direction in which a firm is going, and its strategies and plans."

There is what he calls the "opportunity of restraint"—an interlude, when times are hard, for companies to re-examine the direction they wish to take, and their objectives and target markets, for it is a truism that more precise definition in areas like these will produce benefits that can be reaped when the going improves.

Company or product positioning during a recession, he says, will provide the basis for subsequent growth—although it calls for qualities of adaptation and flexibility that not all will possess.

"Many firms show a remarkable reluctance to rethink rather than reduce their efforts," he says, although there are a variety of steps they can and should be taking in the context of recession.

First, there should be a very real questioning of the need to reduce marketing expenditure. Although belt-tightening is inevitable, it is generally held to be the case that in a difficult environment, it is the brave manufacturer who makes exaggerated budget cuts, not the one who seeks to buoy them up, however hard the pips squeak.

Second, firms should thoroughly review their markets and products to determine the quality of the match. Third, they should be exploring growing or developing markets, both at home and overseas, as well as new technologies and changing social factors.

Basic Marketing: Principles and Practice. Tom Cannon. Holt Rinehart and Winston. 1980.

AUTUMN CAMPAIGNS

Renewed struggle in quality Sunday field

THE EASE with which Fleet Street titles apparently shrug aside the caresses of the grave make it a pleasure to report that The Observer has not only cast off its pallor of last month but has actually visited the rouge maker—to wit, Davidson Pearce Berry and Spottiswoode, its advertising agency, which has just launched a £180,000 advertising campaign on The Observer's behalf.

This special push is using posters, Press and magazines and radio, and will see the return to your screens of The Observer's award-laden Citizen Kane TV commercial.

Main aim of the campaign is to promote a six-part series on the U.S. starting this Sunday. The Observer has already spent £750,000 above the line this year, so that its advertising bill for 1980 will be only a few pence short of £1m. Circulation is just below 1m, and demand, the paper says, is "very strong." Shortly it will revert to four sections.

The Sunday Times says it will be spending roughly "twice as much" as The Observer this autumn, mainly, it says, to help counteract the 5p price rise (to 30p) last Sunday. It is using TV, cinema, and just a dash of radio, and says circulation, at a little over 1.4m, is holding strong.

Dorland toasts significant gain

● Dorland this week could afford to toast itself in style, having won the £1m account for Cadbury's *Drinking Chocolate*, a more than handsome compensation, if non-alcoholic, for fly-away Dubonnet.

Dorland is not only bucking the general downturn in advertising, but is doing so with panache. Billings last year totalled £26m, and business this year will be up by more than a half, to around £40m.

On a Media Expenditure Analysis basis, Dorland will emerge as Britain's eighth biggest agency by the end of the year, predicts chief executive Jack Rubins — the point being that Dorland says it eschews the numbers game and reports only rock-hard figures.

"That is more than can be said for some of our competitors," says Rubins, "some of whom add in their telephone number, their address, and anything else to hand."

It has scored some notable gains, including the whole of National Savings, a £2.5m-£3m account formerly at Saatchi's, Allders, Pan Books and Eastern Gas. There is also a weight of business won last year, such as Bass Charrington pubs and Wills Golden Virginia, helping to fuel the growth.

Cadbury's Drinking Chocolate has been at Ted Bates for 25 years, but was wrested away thanks in large measure to the way Dorland handled its research. The other two agencies involved in the pitch were Kirkwood's and Grey's.

Not unexpectedly, Rubins describes the win as an exceptional one. Dorland already handles Cariba's and Rose's Lime Juice

Etcetera

for Cadbury-Schweppes, though that had nothing to do with the gain. "Only a few of the famous advertised brands move in the course of a year, and there could be more to come. You very rarely capture a major brand like this on its own."

Where complaints are invited

● The monthly case reports from the Advertising Standards Authority, listing all complaints dealt with in the previous month, have been greatly jollied up. The front cover of Case Report 65, for example, covering complaints dealt with in July, contains a high-speed editorial describing the success of the ASA's own advertising campaign, launched earlier this year.

One of its main objectives was to improve the public's awareness of its right to complain about any advertisement believed to contravene the British Code of Advertising Practice.

The campaign has cost the ASA approximately £250,000, in addition to which the media donated more than £250,000 worth of free space. It has certainly worked. Over the first six months of the year—and the first five of the campaign—the number of complaints received from the public rose by 70 per cent against the same period last year.

The complaints are also of better "quality," in that the number that merit investigation is higher. In July, for example, the ASA received 562 complaints, against 263 in July last year. In July, 1979, the proportion persued was 25 per cent—in July, 1980, virtually a third.

Clearly, says the ASA, the public is better informed and thus making fewer complaints that do not merit pursuance.

"The message, through the media, is reaching the public who, therefore, is responding," it says unfelicitously, adding breathlessly that we mustn't "run away with the idea that the Authority wants more complaints *per se*. The less cause there is for complaint the better the advertising industry is observing the terms of the Code."

According to the July report, some of the more notable complaints dealt with that month involved those made against postal photo processing companies, against three makers of nuclear fall-out shelters, and advertisers "making unacceptable claims about depilatories and bust developers."

Something for everyone

● The film Annie is not even scheduled for U.S. release until June 1982, and nor has the role of the little orphan heroine been cast, but the merchandising effort that will eventually be translated into millions of Annie toys, dresses and lunch pails is already running in an excruciating gear.

Licensing tie-ins of this sort are normally organised about a year in advance. The long lead-time for Annie arises because of the sheer weight of products that will eventually bear her name. There will be toy dogs and dog leads named after her favourite pet Sandy, "Leapin' Lizards" gym shoes and probably a brand of skates.

Lester J. Borden, the man at Columbia Pictures who is handling the operation, says no one says No to Annie. "The film has everything—rich men, little girls, dogs. It's an all-family movie with a world-wide message."

Oh dear.

LOMBARD

Economics of cathedrals

BY GARETH GRIFFITHS

READERS of Anthony Trollope know with what feelings of aprehension the inhabitants of tha cathedral close at Barchester regarded the preso and public opinion beyond the town. A similar sensitivity now appears to have emarged among contemporary cathedral chapters over the public argument on whether to charge for admission for cathedrals.

Only two, Salisbury and Lincoln, have introduced admission charges ao far—they are on a voluntary basis but they require a great deal of fuss to avoid paying. Economic pressures are forcing all the cathedrals to step up their money making activities.

Too heavy

Those who are broadly in favour of charging argue that the costs of running a cathedral are simply too heavy for the Church to bear, particularly as tourists cause damage to the fabric and lead to extra running costs. Those against argue that money making detracts from the purpose of a cathedral as a building designed for the glory of God. The majority of the 20m visitors a year to English cathedrals are in search of oomething other than tourist trappings, they suggest.

In a Lordo debate earlier thio year, the Government made clear its view that tourism would resolve the financial difficulties of cathedrals.

Most catbedral chapters strongly oppose State fundine and want to manage their finances themoelves. The argument is that government grants woold interfere with the traditional freedoms of chapters and turn the buildings into ecclesiastical museums.

However, both the Government and the cathedral clergy base their arguments on somewhat doubtful grounds. State funding for churches of historic interest already takes place through the Historic Buildings Council. Last year the Council made 417 grants totalling £3m for renovation and repair work. The Department of Environment also provides the Redundant Churches Fund with £167,000 a year. There is no objection in principle from the Government to church aid, simply a reluctance to extend it to the cathedrals.

In a similar way the attitude of the cathedral clergy appears to be different from that of their parochial colleagues. Historical Buildings Council grants have in no way diminished freedom inside the parish churches. What is needed perbaps is a body to administer the grants for cathedrala in a way that would alleviate their fearo and impinge as little as possible on day-to-day administration.

Such a body is already present, albeit in an embryonic form. The Cathedrala Advisory Committee is a group of distinguished architects, historlano and clergy which advises chaptars on their plans for cathedral alterations. Its role at present is purely advisory and divorced from matters of finance. The committee does offer the possibility of bringing together the right combination of people, qualified to handle state fundo for cathedral maintenance and capital running coats.

Where is the money to come from? Equity would demand that the Government redeem the scandalous behaviour of preceding adminiotrations over the National Land Fund, set np with £50m in 1947. To a limited extent thia bas been done with the establisbment of the £15.5m National Heritage Fund in April. However the current real value of the National Land Fund, grabbed by the Treasury in 1957, has been estimated at between £250m and £400m.

That money was meant for the nation's heritage, of wbich cathedrals are an integral part. Cathadrals provide a major tourist attraction, generate employment in their towns and conaequently increase both direct and indirect government revenue. A grant on about the same scale as the National Heritage Fund would be the simplest way of providing finance, rather than a complicated levy system on the tourist industry.

It is mainly government action that has led to the cathedrals' financial straits. Each year Value Added Tax on church building repair costs up to £9m and legislation approved in 1840 drastically cut down the number of cathedral endowments. Mid-Victorian chapters were faced with continual financial crises, as readers of Anthony Trollope will know; unfortunately these crises have continued over the years.

The Brussels connection

"SOME SOLICITORS do very good work without a Brussels office," commented a barrister. "Otbers are not oo good with one." But Brussels-based lawyers are convinced of the value of an office there.

EEC law ia developing so fast, and tha Commission is so aware of the politics of the Community that barristers and solicitors who specialise in EEC law need up-to-data contact with the Commission's thinking. "Giving the best advice to clients on bow to present a problem to the Commission depends on knowing its current attitudes, especially in the fields of competition and agriculture," said a practioner, "and attitudes are fluid."

Contact

It is more important than in England to keep a finger on the political pulsa. Barristers maintain contact with the European Parliament as well as the Commission, often sitting-in on its legal committee. One chambers hao a member of the European Parliament as a consultant.

Solicitors agree with tbe value of daily contact with tbe Commission and streso the advantages of "knowing everybody," pointing out tbat in the small world of Community specialists there is opportunity for daily discussion and exchange of ideao. A Brussels office also provides a place to meet clients ("better than a hotel room") aod a staff wbo can speak to them in their own language.

The Loodon connection remaino strong. Most of the work still originates there, and there is daily communication with London where most of the paperwork is done, even if the British cannot match the sophisticated technology of the U.S. firma. Coudert Brothers, in Bruosels since 1964, can transmit documents by Rapifax at a page a minute from any of its 10 offices througbout the world.

Solicitors' offices vary in their history and present structure. Simmons and Simmons opened in 1962, the only Britisb firm to "stick it out" through the "Non" years (Slanghter and May closed its Brussals office at this period and sees no need to reopen it). Simmons and Simmons still deals with rather more generally commercial than specifically EEC work. It ia taking on another partner and more office accommodation.

Anotber firm, wbicb opened in Bruasels just before the property boom, set up an EEC unit in 1976. At present it has a full-time resident partner and an assistant, with tbe services of a Belgian lawyer, who also works full-time in the general office. To meet the increasing EEC work, the firm hopes to enlarge the unit, including another fully-qualified Continental lawyer.

Most firms make use of the stage, a six-months training in EEC law offered by the Commission. A ouccessful Brussels establishment depends on having the right people, botb in experience and temperament.

Lovell, White and King, established in 1973, has a resident partner and two assistants, and a practice in both EEC and general commercial law. The newest arrival is Allen and Overy, wbicb opened 17 months ago with a resident assistant solicitor. There ia no partner there yet, but the venture is said to bave been a success and is likely to expand.

The Belgian Bar's initial resistance to foreign establishments has relaxed in relation to Anglo-Saxon lawyers. Some U.S. firms with London practices, sucb as Cleary, Gottlieb and Coudert Brothers, have Brussals offices. Baker & Mackenzie has a correspondent Belgian firm, though othars, like Ladas & Parry whicb specialises in intellectual property, find it can do the work as well from London.

In contrast to this acceptance of British and American firms, there is some fraternal strife between Belgians and Dutch because they spaak Flemish, call themselves "advocat" and are suspected of poaching on tbe domestic market. Four major Dutch firms are represented in Brusseis — Stibbe, Blaisse of Amsterdam, Nauta van Haerfolte and Star Bussmann of Utrecht, De Brauw & Helbrach. Tbey complain of discrimination. "The Americans are entitled to permanent establishments bere, but we are not. The Balgians will not let us draw up deeds; they retain their conveyancing monopoly."

There bas recently been a "punch-up," with tbe Belgian Bar directing its members to boycott two of the Dutch firms. The Englisb steer clear of these family squabbleo, report good working relations with Belgian lawyers, and brief them to represent clients on local issues.

The English professlon is used increasingly by Continental law firms and the house lawyers of foreign companies. English is traditionally the language of commerce, commercial concepts are highly developed in Britain and UK lawyers bave the resources of the City of London behind them. Its supporters also claim that the divided profession enablea them to offer greater specialist expertise.

The process is two-way. Solicitors will brief tha best advocate available, regardless of nationality. There are aigns of a "Community Law Bar" developing, wbether or not there is a correaponding erosion of the British divided profession. No solicitor has yet used his right of audience at the European Court, though some approve tha idea.

Barristers, on the other hand, find their advisory role increasing. They deny any competition with solicitors, saying that they pass as mucb work on to them as vice versa. They say that the British barrister, the highly specialised "lawyer's lawyar," has a valuabla contribution to make.

Contribution

Relations are good between English lawyers and the Commission. Its lawyers, said a practitioner "are good, very objective. Thay can stop things if thay disapprove." Mr. Ehlermann, Director-General of the Legal Service, is described as a man of the highest calibre, and is praised for his receptivity to new ideas. Ha values the British contribution and tries to encourage the profession's participation.

Unfortunately his English team, with notable exceptions, is weak in numbers and quality. There are only six of the quota of 12. There will be nine by the end of the year, but I was told there is a dearth of good candidates and some departmental resistance to taking on new senior staff. But there is an undoubted need for good English practitioners in the Commission.

BUSINESS AND THE COURTS

BY ANN MOORE

Long-term commitment is expected. One leading firm does staff its office from London on a three-year rota, but this is not thought to be an ideal arrangement.

All firms report increasing work: in complaints of dumping, growing in importance as the fear of recession grows, in the movement of gooda, capital and services, in intellectual property — trade marks, copyrights, patents—and, say the barristers, in agriculture. In this field, one practitioner told me, the "really big thingo are bappening, in jurisprudence, with the application of the principle of proportionality, and non-diocrimination." Solicitors also advise on such matters as where to invest, wbere to site a factory, the requirements of Lomé, GATT, tariffs and quotas.

Willie Carson set to extend lead

WITH LESTER PIGGOTT on the sidelines, Willie Carson looks reasonably certain to extend his lead in the race for the Jockey's Championsbip at Doncaster this afternoon.

For instance, it will come as a major surprise lt he fails to win the Park Hill Stakes (2.30) on Mr. Alan Budgett's wiry filly, Shoot a Line, who has only once been beaten—in the Oaks at Epsom—where she failed to act on the course.

This stiff track will suit her, as did the Knavesmire at York where she stayed on too well for Vielle in the Yorkshire Oaks. And there is nothing of Vielle's calibre included among today's runners.

After ha haa partnered Shoot a Line, Carson teams up with Known Fact in the Kiveton Park Steel Stakes (3.05). Here, again, on paper at any rate, there doeo not appear to be any danger to the 2,000 Guineao winner.

A third possible winner for Carson is Habitor in the Prince of Wales's Nursery Handicap (4.05). This colt, was well hacked to beat To-Agori-Mou in the Foxhall Stakes at the principal Goodwood meeting and finished third, four lengths behind Guy Harwood's good colt at level weights.

That race was a six-furlongs affair, and my belief is that Habitor will be far better suited by a mile and I expect him to win.

Last year, Le Moss, completed a notable treble by winning the Ascot Gold Cup, the Goodwood Cup and the Doncaster Cup and he has won the first two again this year.

In the Doncaster Cup (3.35) he is oppooed again by Ardroso, who finiohed a close second to him both at Ascot and Goodwood. The margin at Goodwood was only a neck, but I thought that Le Moss had a little in hand and I take him to win again.

Posoibly the best bet of the day, bearing in mind the likely odds, is Queen of Prussia, in the Dick Poole Stakes (2.45) at Salisbury.

RACING

BY DARE WIGAN

DONCASTER

2.30—Shoot a Line
3.05—Known Fact
3.35—Le Moss*
4.05—Habitor**

SALISBURY

2.45—Queen of Prussia***
3.15—Jester's Boy
3.45—Seven Hearts
4.15—Roundway Mill
4.45—Ultra Vires

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 12.45 pm News. 1.00 Pebble Mill At One. 1.45 Mister Men. 3.53 Regional News for England (except London). 3.55 Play School (As BBC 2 11.00 am). 4.20 Hong Kong Phooey. 4.40 The Red Hand Gang. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Yes Minister.
9.00 News.
9.25 Mackenzie.
10.20 The Greeks.
11.10 All About Books.
11.45 Weather/Regional News.

All Regions as BBC 1 except as follows:

BBC Cymru/Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.45 News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.45 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
9.00 Liberal Party Assembly from Blackpool.
11.00 Play School (As BBC 1 at 3.55 pm).
11.25-12.30 pm and at 2.00 Liberal Party Assembly.
4.50 Open University.
6.55 Open Door.
7.25 Mid-Evening News including sub-titles.
7.35 "The Life and Death of Colonel Blimp," starring Anton Walbrook, Deborah Kerr and Roger Livesey.
10.15 Leap In the Dark.
10.45 Newsnight.

LONDON

9.30 am The Princess of Tomboso. 9.55 Animated Classics. 10.40 Wild Canada. 11.20 The White Stone. 11.55 Barney Google and Snuffy Smith. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 For Maddie With Love. 2.00 Racing from Doncaster, covering the 2.00, 2.30 and 3.05 races. 3.15 The Liberal Party Assembly. 4.15 Little House on the Prairie. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Battlestar Galactica.
7.30 Spooner's Patch.
8.00 Benny Hill.
8.30 TV Eye.
9.00 Minder.
10.00 News.
10.30 Boy With the Transistor Radio.
11.00 Lou Grant.
12.00 What the Papers Say.
12.15 am Close: Robert Rietty with readings for Yom Kippur.

All IBA Regions as London except at the following times:—

ANGLIA

8.30 am Gardening Today. 10.00 Ten Times Emoty. 10.30 The Beachcombers. 10.55 Get the Picture. 11.45 Cartoon Time. 12.30 pm The Riordans. 1.30 Anglia News. 4.15 Pipet and his Friends. 4.20 Project UFO. 0.15 Take My Wife. 6.00 About Anglia. 6.20 Arena. 8.35 Crossroads. 7.00 Bygones. 10.30 The Brian Connell Interviews. 11.00 Boy with the Transistor Radio. 11.30 The Prime of Miss Jean Brodie. 12.30 am The Living Word.

ATV

8.35 am Gardening Today. 10.00 Stars on Ice. 10.25 The Bullin's Grand Masters Darts Championship 1980. 10.50 Chopper Squad. 11.40 The Undersea Adventures of Captain Nemo. 11.45 Here Comes Mumfie. 12.30 pm The Riordans. 1.20 ATV News. 4.15 Tarzan. 5.15 A Musical World. 6.00 ATV Today with ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 11.00 ATV News. 11.05 Thriller: "Death in Deep Water," starring Bradford Dillman.

BORDER

9.35 am Gardening Today. 10.00 Border Journey. 10.25 Thingummyjig. 11.15 The Export Scotch. 11.40 Fanalace. 1.20 pm Border News. 4.15 Salvage I. 5.15 Life Begins at Forty. 8.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.30 Soap. 11.00 Boy with the Transistor Radio. 11.30 Westside Medical. 12.15 am Border News Summary.

CHANNEL

12.30 pm The Riordans. 1.20 Channel Lunchtime News, What's On Where and Weather. 6.00 Channel Report. 7.00 The Monkees. 10.28 Channel Late News. 10.34 Soap. 11.00 Boy with the Transistor Radio. 11.30 Pro-Celebrity Darts. 12.00 News and Weather in French.

GRAMPIAN

0.25 am First Thing. 8.30 Gardening Today. 10.00 Border Journey. 10.25 Thingummyjig. 11.20 The Export Scotch. 11.45 Cartoon Time. 12.30 pm The Riordans. 1.20 North News. †4.15 Crazy Comics: "Air Raid Wardens," starring Laurel and Hardy. 5.40 Police News. 6.00 North News. 6.10 Anna and the King. 7.00 Grampian Disco Dancing Championships. 11.00 Reflections. 11.05 Thriller: "Come Out, Come Out, Wherever You Are." 12.30 am North Headlines.

GRANADA

9.30 am Children of the World. 9.55 The Outsiders. 10.50 Look at Lilo. 11.00 Sesame Street. 12.30 pm The Riordans. 1.20 Granada Reports. 5.15 Looks Familiar. 6.00 Granada Reports. 6.30 This Is Your Right. 7.00 Emmerdale Farm. 10.30 And the Band Played On. 11.30 What the Papers Say. 11.45 Bluey.

HTV

10.00 am Gardening Today. 10.30 Moynihan. 11.20 George Hamilton IV. 11.50 Cartoon. 12.30 pm The Riordans. 1.20 HTV News. 4.15 Salvage-1. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Barney Miller. 7.00 Emmerdale Farm. 10.28 HTV News. 10.30 Forever Imber. 11.00 Boy With a Transistor Radio. 11.30 Have Girls Will Travel.

HTV Cymru/Wales—As HTV West/HTV General Service except: 12.00-12.10 pm Ffalabalam. 4.15 The Latchkey Children. 4.45 Sêr. 5.15-5.20 Cartoon. 6.00 Y Dydd. 6.15-6.30 Report Wales. 11.30-12.25 am D. H. Lawrence—As Son and Lover.

SCOTTISH

8.35 am Gardening Today. 10.00 Border Journey. 10.25 Portrait of the Artist. 10.40 Wild Wild World of Animals. 11.05 Young Ramsey. 12.30 pm The Riordans. 1.20 News and Road and Weather. 4.15 Popeye. 4.25 Little House on the Prairie. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Action Line. 6.30 Report. 7.00 Emmerdale Farm. 11.00 Soap. 11.30 Late Call. 11.35 Fireside Theatre.

SOUTHERN

9.30 am Gardening Today. 10.00 "Quartet," starring Dirk Bogarde. 12.30 pm The Riordans. 1.20 Southern News. 4.15 Tarzan. 5.10 Mr. Magoo Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 People Rule! 11.00 Boy with the Transistor Radio. 11.30 Barney Miller.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 9.30 Gardening Today. 10.00 Border Journey. 10.25 The Beatles. †10.50 Morning Movie: "A Window in London," starring Michael Redgrave and Sally Gray. 1.20 pm North East News and Lookaround. 4.15 Dog Wonder Dynomutt. 4.45 Salvage One. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 10.32 Northern Report. 11.00 Out of School. 11.30 Have Girls Will Travel. 12.30 am With Best Wishes.

ULSTER

9.30 am Gardening Today. 10.00 Border Journey. 10.25 Thingummyjig. 11.15 The Export Scotch. 11.40 Cartoon Time. 1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Cartoon Time. 5.30 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Let the Music Take You. 11.00 Boy with the Transistor Radio. 11.30 Soap. 12.00 Bedtime.

WESTWARD

9.35 am Gardening Today. 10.00 Border Journey. 10.25 Thingummyjig. 11.20 The Export Scotch. 11.45 Larry the Lamb in Toytown. 12.30 pm The Riordans. 1.20 Westward News Headlines. 4.15 Gus Honeybun's Birthdays. 6.00 Westward Diary. 7.00 Encounter. 10.31 Westward Late News. 10.34 Soap. 11.00 Boy with the Transistor Radio. 11.30 Pro Celebrity Darts. 12.00 Faith for Life. 12.05 am West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Rodeo Boy. †10.00 Laurel and Hardy in "Putting Pants on Philip." 10.25 Scolab 2020. 10.50 Bailey's Bird. 11.10 Space 1999. 12.30 pm The Riordans. 1.20 Calendar News. 4.15 The Adventures of Black Beauty. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 10.30 Doctor Down Under. 11.00 Boy with the Transistor Radio. 11.30 Police Surgeon. 12.00 The Amazing Years of the Cinema.

(S) Stereophonic broadcast
‡ Medium Wave

RADIO 1

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.32 Simon Bates with The Golden Hour—Part 1: 1978. 10.32 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Simon Bates with The Golden Hour—Part 2. 3.32 Peter Powell. 5.32 25 Years of Rock. 7.31 Mike Read. 10.02-12.00 John Peel (S).

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S) including Racing at Doncaster. 4.03 Much More Music with Jean Challis (S). 6.03 John Dunn (S). 8.02 Country Club (S). 9.02 Alan Dell with Big Band Sound (S). 9.55 Sports Desk. 10.02 The Show with Ten Legs. 10.30 Star Sound Extra. 11.02 Sports Desk. 11.03 Patsi Clayton with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Mendelssohn (S). 9.45 Hindemith and Holmboe recital (S). 10.30 Music for Guitar (S). 11.15 Elgar and Sibelius concert, Part 1 (S). 12.05 pm Interval Reading. 12.15 Concert Part 2 (S). 1.00 News. 1.05 Schoenberg and Chopin piano recital (S). 2.00 "Benvenuto Cellini," opera by Berlioz, Acts 1 and 2 (S). 3.25 Interval Reading. 3.35 "Benvenuto Cellini," Act 3. 4.30 Dartington String Quartet (S). 4.55 News. 5.00 Mainly for Pleasure (S) († and mono only from 6.20). 7.00 Lawrence Travelling. 7.30 As Radio 4 UK. 9.35 In a High Place. 9.45 Music in Our Time (S). 11.00 News. 11.05-11.15 Vivaldi (S).

VHF Only—Open University 6.00-7.00 am and 6.20-7.00 pm and for students in Radio Scotland and Radio Cymru areas only: 12.00-1.00 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. 8.45 The Wheels of Chance. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Enterprise. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 File on 4. 11.50 Askey's Hall of Fame. 12.00 News. 12.02 pm You and Yours. 12.27 Frank Muir Goes Into . . . Festivals (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre. 4.15 A Small Country Living. 4.45 Short Story. 5.00 PM News Magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Top Brain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Proms concert: Part 1 (S). 8.10 A Talent to Amuse. 8.30 Proms, part 2 (S). 9.35 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Fond and Familiar. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Music on the Move. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

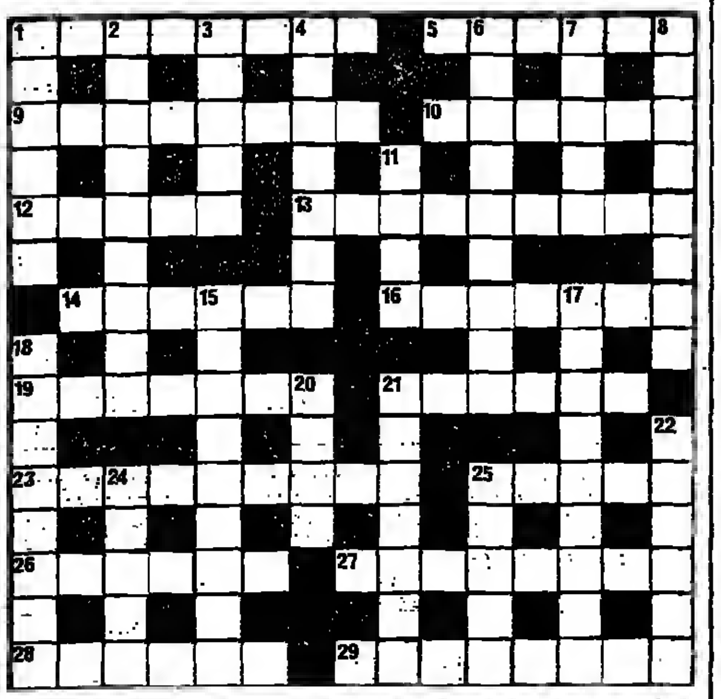
London Broadcasting

5.00 AM—Bob Holness and Douglas Cameron with William Davis, Editor of Punch. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 pm Night Extra. 4.00 The London Interview. 5.00 Morning Music.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S). 9.00 Mike Allen (S). 12.00 Graham Dene (S). 1.00 pm London Today (S). 1.10 Graham Dene (continued). 3.00 Roger Scott (S). 7.00 London Tonight (S). 8.00 Peter Young (S). 11.00 John Sach's Late Show (S). 2.00 am Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,371



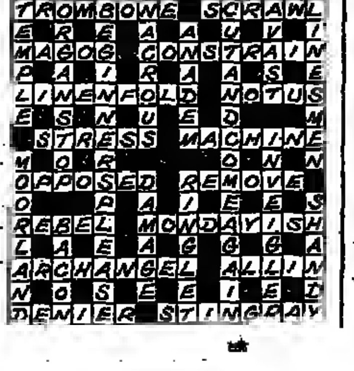
ACROSS

1 Annoying person who is about to depart (8)
5 Jerks at the cinema (6)
9 Snipe for instance at extended account (4-4)
10 Sportsman looking for game on the wing (6)
12 Different parts of fish (5)
13 Smooth air crash (5, 4)
14 Stir attachment to skirt (6)
16 Whistler with second band turned down (7)
19 Fall of voice accountant has to study before church (7)
21 Notice sound of car model (6)
23 Chief re-arranged visit to record holder (9)
25 Hotel set in filthy drop-out zone (5)
26 Building blocks in wind (6)
27 Missile launcher with extensible action (6)
28 Right of admission to course (6)
29 Leader of convoy sought by ambitious teacher (6)

DOWN

1 Foreign language could be French (6)
2 Band about to call up one after the other (4, 5)
3 Something on foot to boast about (5)
4 Spell that is switched to the Oval (7)
6 Expected to be bunted (6, 3)
7 Part of prison has nothing to fiddle (5)
8 Notice composed about music (8)
11 Fine seems reasonable (4)
15 Can girl have old car? (3, 6)
17 Old timer disagreeable with money (9)
18 Rush special constable to walk (8)
20 Lamb of first-class the French turn up (4)
21 Name the new-fangled gas (7)
22 Increase in mail to put on notice board (4, 2)
24 Pet gets round male twister (5)
25 Put away troop for an auditor (5)

SOLUTION TO PUZZLE No. 4,370



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

HAYMARKET. 9632. Evgs. 7.45. Wed. 2.30. Sat. 4.30 and 8.00. LEONARD ROSSITER, PRUNELLA SCALES in MICHAEL FRAYNE'S MAKE AND BREAK. Directed by MICHAEL BLAKEMORE.

JEANNETTA COCHRANE. 01-242 7040. National Youth Theatre in THE WINTERS TALE. Evgs. 7.00. Mats. 2.30.

KING'S HEAD. 01-226 1916. Eves. Dnr. 7.0. Show 8.0. PACK UP ALL YOUR CARES & WOE with Bertice Reading.

LYRIC. S. CC. 01-437 3686. Evenings 8.0. Wed. 3.0. Sat. 5.30 & 8.30. DINSDALE LANDEN. NICOLA PAGETT in ALAN AYCKBOURN'S TAKING STEPS.

LYRIC HAMMERSMITH. CC. 01-741 2311. Eves. 7.30. Thur. Mat. 2.30. Sats. 4.30 & 8.15. John Gay's classic musical THE BEGGAR'S OPERA. Book Now!
LYRIC STUDIO: From Ton't at 8 (Mon at 7). LOOT by Joe Orton, directed by Kenneth Williams.

NATIONAL THEATRE S. 928 2252. OLIVIER (open stage): Today 2.45 (low price mat.) & 7.30 S STERLY FEELINGS new comedy by Alan Ayckbourn (Today mat. 'chance' perf., eve Dorcas/Canvas) Tomor. 7.30 AMADEUS.
LYTTELTON (proscenium stage): Ton't 7omor. 7.45 low price previews WATCH ON THE RHINE by Lillian Hellman.
COTTESLOE (small auditorium—all tkts £3 Students £1.20): Eves 5.00 last 3 perfs. LINE 'EM new play by Nigel Williams.
Excellent cheap seats from 10 am day of perf all 3 theatres. Car park. Restaurant 928 2033. Credit card bkgs 928 5963

STRATFORD-UPON-AVON. Royal Shakespeare Theatre (0789) 292271. Info. (0789) 69191. ROYAL SHAKESPEARE COMPANY in ROMEO AND JULIET today 2.00. Sep 15 to T.30. HAMLET tonight. Tomor 7.30. Sat 1.30. AS YOU LIKE IT Sep to T.30. 20 (mat) 2.00.

TALK OF THE TOWN. 01-734 5051. AIR CONDITIONING. CREDIT CARDS. LONDON'S GREATEST NIGHT OUT. From 8 o'clock. Dining and dancing 9.30. SUPER REVUE BUBBLY and in cabaret at 11. ANNIE ANDERSON.

THEATRE ROYAL. Drury Lane. 836 0108. S. Denis Quilly. Sheila Hancock. SWEENEY TODD. Broadway Musical, winner of 8 Tony Awards. Evs. 7.30. Mat. Wed. & Sat. 2.30. Group sales Box Office 379 6061. Seats from £2.50.

VAUDEVILLE. S. CC. 01-836 9988. Group sales 379 6061. Air-conditioning. Eves. 8.00. Sats. 5.30 and 8.30. Wed. mat. 2.45. IAN OGILVY SHEILA GISH. JAMES COSSINS in STAGE STRUCK. A new thriller by Simon Gray.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Eves. 7.30. Mat. Wed. and Sat. 2.45 ANNIE. Group sales box office 379 6061.

WAREHOUSE. Donmar Theatre. Covent Garden. Box Office 836 6808. ROYAL SHAKESPEARE COMPANY. Today 2.00 & 7.30 Brecht's BAAL. All seats £3.50. Students £2.00 in advance.

WHITEHALL THEATRE. 01-930 7706. CC. Paul Raymond presents FIONA RICHMOND and a Bedful of Beauties in WOT! NO PYJAMAS. Eves. 8.30. Fri., Sat. 6.15 & 8.30.

CINEMAS

ART GALLERIES

MALL GALLERIES. The Mall, S.W.1. Society of Women Artists 118th Exhibition. Mon.-Fri. 10-5; Sats. 10-1. Until 1 p.m. September 23. Adm. Free.

THE ROYAL ACADEMY OF ARTS. Piccadilly, W.1. The Burlington House Fair (The Burlington Fine Art and Antique Dealers' Fair) until 17 Sept. daily 10-7 inc. Sunday. Adm. £2 inc. handbook.

LUMLEY CAZALET, 24 Davies St., W.1. 499 5058. 20th CENTURY ORIGINAL PRINTS—Braque, Chagall, Matisse, Moore, Picasso.

BLOND FINE ART, 33, Sackville St., W1. 437 1230. SUMMER SHOW.
DAVID HOCKNEY. Modern Graphics. The Arun Art Centre, Arundel, West Sussex. Until 27th September. Closed Sunday.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189 Regent St. 734 0557.

GARGOYLE, 69 Dean Street, London, W1. NEW STRIPTEASE FLOORSHOW "CLOSE ENCOUNTERS" 11-3.30 am. Shows at Midnight and 1 am Mon.-Fri. Closed Saturdays. 01-437 6455.

THE ARTS

Record review

St. Matthew Passion

Bach: St. Matthew Passion. Peter Schreier, Dietrich Fischer - Dieskau, Edith Mathis, Janet Baker, Matti Salminen, Regensburg Cathedral Choir, Munich Bach Choir and Orchestra/Karl Richter. DGG Archiv 2712 005 (4 records)

Bach: The Musical Offering. Musica Antiqua Cologne. DGG Archiv 2533422

Bach: The Musical Offering. The Academy of St. Martin-in-the-Fields / Neville Marriner. Philips 9500585

Twenty years bava passed since Karl Richter's first recording of the *St. Matthew Passion*. During that time our notions of Bach scholarship and of Bach performing practice have hoth changed radically, and it would be aurprising if Richter had not reflected the changes to some extent. He haa indeed adapted his style to match the new emphasis on contrapuntal line and sharpness of articulation whicb the original-instrument accounts of Bach choral music by Harnoncourt and Leonhardt have suggested. So among the welcome faatures of tbis new *St. Matthew* are crisper string sounds, aharpec rhythms generally, and a more idiomatic approach to ornamentation. (ft is a shock to go back to the first version and bear the soloists omit the clearly-written appogiaturas in "So ist mein Jesus," even though the orchestra bave just played them.)

Janet Baker — Corinne Cockrell

The Munich Bach Choir, recorded very closely in the new version, makes a razor-sbarp impact in the sequence of crucifixion cboruses; though it reveals some weak patches of tooe at the top of soprano and tenor ranges, and in the altos. The occhestra also sounds rather dry: the distinguished ohhligato work in the wind sections is admirable, but the string tone is edgy. Stereo separation, however, is used to great effect in the new recording; the double choruses are vivid and powerful. But what I missed was the sense of atmospbere and bold, romantic flow in Richter's old account. Twenty years ago the great opening cborus surged and hillowed; the chorala fantasy "O Mensch, bewein" was expressive and deeply moving. Now, with the emphasis on clarity, tha effect is inflexible and even dull: both those choruses are taken alower in the naw version, removing much of tbeir sense of direction.

The aoloists on tha new set also replace tha wayward emotionaliam of the old reading with something firmer and purer and I am not sure how much of this, in the context of Richter'a reading, is gain. I would not want to lose for evar the glorious sounds of Ernst Haefliger and Hertha Töpper, though Peter Schreier and Janet Baker are undouhtedly more to our present taste. Edith Malhis is a radiant soprano, a strong gain over Irmgard Seefried, and Matti Salminen is a fine discovery for lhe hass ariaa. Dietrich Fischer-Dieskau, who did those ariaa 20 years ago, now contributes a Cbrist that is a model of light, unsanctimonious declamation.

Publicity for the new recording (though not the booklet, whicb carries only a curioua essay by Joachim Kaiser about Goethe, Brecbt, Hemingway, Hegel and others) claims that Richter has "discovered" that the keyboard continuo part should be played on the barpsicbord. The fact that Bacb exceptionally indicated the harpsicbord for a Passion performance makes clear that his normal choice was the organ; but in fact I prefer the tasteful harpsichord playing here to the screecby organ wbich hlored through Ricbter's old recording. Real musicological advance is not represented: Richter still uses Schneider's old edition of the score rather than Alfred Durr'a revision for the *Neue Boch Ausgabe*.

The two recent versions of The Musical Offering present an illuminating contrast of styles. Musica Antiqua does the music with minimum forces: a pair of violins, flute and continuo—and uses baroque instruments, played in a distinctively fluffy, jerky manner that some will find disconcerting. The great six-part ricercare suffers, perhaps, from heing confined to the harpsichord, though (as C. P. E. Bach boasted) it is a miracle that two bands can play all the notes. The trio sonata is given a quirky performance: the canons are lithe and energetic. Tbe Academy of St. Martin's, on the other hand, challenge no prejudices, and present no new ideas. The work is "orchestrated," plling on instruments in the fuges and canons so as to provide an impressive finish. Tempi are often ponderous. For a full-blooded account of the work, Mnnchinger's *Stuttgart* version still provides all the thrills: Marriner, like Richter in his new *St. Matthew*, falls uneasily between old and new performance styles.

NICHOLAS KENYON

Jeannetta Cochrane

The Winter's Tale by B. A. YOUNG

The National Youth Theatre bave found themselves a Leontes (Jamie Ripman) with a fine voice and the ahllity to use it clearly; an attractive Hermione (Anne Miles) who io the last act is able to hold her pose with a still grace for what seems an eternity; a pleasant young couple in Mack Payton's Florizel, a Prince with natural good manners, and Gerrie Alexander's Perdita, who soon learns to correct hec peasant's accent when she realises that she is a queen's daughter. Their Autolycua (Andrew Gollachar) displays his comedian's tricks as if he had been In the profession all his life. At the start of the evening and at the end, their virtues are nicely shown by director Boh Tomson in a handsome and restrained production that looks very pleasant on John Halle's simple rectilinear set. From the entry of the bear until tbe departure from Bohemia, Mr. Tomson has set himself to split the ears of the groundlings In a reprehensible display of excess.

Gerrie Alexander and Mark Payton — Leonerd Burt

The costumes as at Stratford, Ontario, last year, are Edwardian. All the young people don't wear their frock coats with equal ease, and I can't help thinking that Claomenes and Dion would have had some tweeds for their *journey to Delphi*; but it's a period tbat fits the play all right. *Hermione* needn't make quite such a business of touching up Polixenes (Paul Blackman, who is also the bear); it makes Leontes' jealousy natural and even justifiable. Paulina (Katy Behean), a tough hlonde, also lets her emotions overflow sometimes; I hardly think she should be kissing Leontes when she's about to restore his wife to him, or, earlier, have cradled his head in her lap and stroked his hair when he was overcome by Hermione's alleged death. The scenes at court, all the same, are done with dignity.

At the sheep-shearers' ball in Bohemia, anything goes. We've been prepared by a funny bear that taps Antigonus (Matthew Townsend) on the shoulder to indicate that it intends to eat him, and a Time (Peter Clark) who takes off his cloak, begins to lay out the preparations for the feast and then becomes Archidamus. But the real trouble starts with Autolycus. There's no doubt that Mr. Gallacher is a very talented comic, but he shouldn't he allnwed to steal *other people's scenes every time* he comes on to the stage. It is an outrageous display of had theatre manoers. He even distracts our attention from Perdita's speecb about the daffodils that come before the swallow dares, and consequently she doesn't speak it very well, wben it is the absolute hub of her part.

But tbe fault doesn't lie with Mr. Gallacher; it lies with the director. He has sbown us elsewhere what be can do. He must now dismiss from his mind the young audience's cheers and get the feast, folk-dance and all, as good as the rest of the evening.

Albert Hall/Radio 3

Carter and Ives

by PAUL DRIVER

There is little point in searchlng for *false analogies* to describe Tuesday's Promenade concert juxtaposition of a first balf devoted to Baeh (played hy the Christopher Hogwood'a Academy of Ancient Music) and a second to 20th-century American orchestral classics (the BBCSO under Sir Charles Mackerras). A most satisfying, if demanding, evening's musicmaking resulted; and the time bas perhaps arrived when programmes may he allowed to be unusual withont need of symmetry and significance.

Two Brandenhurgs (3 and 4), enclosing the D minor concerto for two violins, from the Academy—wbicb endeavours to produce an authentic, near vibrato-less haroque tonequality—provided a atriking contrast with similar Bach evenings recently given on the Soutb Bank by the Englisb Cbamber Orchestra and Pinchas Zukerman. Thoae were Bacb banquets indeed, the meat exceptionally well-fleshed. On Tuesday we reduced to the bare bone. Mr. Hogwood'a small, standing band looked, and on first impact, sounded, hopelessly beleagured in the vast acoustic space. And one sometimes felt, too, that the *instrumentalists'* penetration of the music was furtber hindered by the abiding necessity not just to play tbe notes, but to make them sound like something: easily becoming a picturesque thing. Nevertheless, their cultivated leanness of sonority grew fetcbing; we bad a Brandenburg 3 of the acutest dalineation and a slow movement of the Double Concerto in wbicb Mr. Hogwood's celeste-like organ continno contributed no less than aoloists Catharine Mackintosh and Simon Standage to an nnfolding of ecstatic delicacy.

The coupling of items after the interval was, obviously, *significant*. But one couldn't decide which way cound the items should have been put. If we bad begun with Ive's *Three Places in New England* and gone on to Elliott Carter's Piano concerto (1964), one version of an American tradition would have stood out. All the pictorialism of Ivea — bia realisation of landscapes, bistorical scenes, daydreams in a collage of quotations — bas been snblimated by Carter into a refinement of the musical techniques — complexly layered textures, polyrhythmic contrivances — that made it possible.

Through Charles Rosen's meticulous exegesis of the piano part, and Charles Mackerras'a energetic raising-up of the deluging orchestral opposition, the grand gesture of Carter's Piano Concerto, in which the soloist's still small voice is all but stifled by the densest of tuttis, seemed a compelling juatification of the composer'a purism.

But a certain greyness of texture in the music made one wonder if more than jnst innocence was lost when Carter reacted forcibly against his mentor's eclecticism. Coming as It did after tbe Cartec, *Three Places* (wbose first movement'a use of striogs and splashes of piano did suggeat an interesting overspill from the concerto) was a plea for colour and variety as well as an aptly festive end for a Prom.

Wigmore Hall

Schwarzkopf Master Classes

by ELIZABETH FORBES

Elisabeth Schwarzkopf, after a careec both in the opera house and on the concert platform spanning well ovec three decades, has many obvious qualifications as instructor and exemplac of style and interpretation. To mention only one: the unrivalled ahility to fuse text and music into an inseparahle whole, that made her own Lieder singing so rewarding. Even the one defect that admirers celuctantly admitted could mar the perfection of her perfocmances, namely an inahllity (oc refusal) to conceal the art that caused the fusion of words and notes with a cloak of apparent spontaneity, hecomes an advantage in the demonstration of how exactly the miracle is wrought.

On Tuesday evening, during the first of a series of four Master Classes at the Wigmore Hall (the otbers are tonight, tomorrow and next Tuesday), four young professional singers were each taken through a song or aria by Elisaheth Schwarzkopf. In the hathroom acoustic of the hall, so generous to the singing voice, so unkind to the spoken word, many of her pearls of wisdom were lost, even with a microphone, to anyone seated in the back rows. Some theoretically excellent advice, such as the warning not to overstress the barsher German consonants, *misfired*: faulty but audible diction is surely preferable to correct but totally (to the audience) unintelligible pronunciation.

Then Elisabeth Schwarzkopf's own immensely powerful artistic personality both helped and hindered her coaching. With two of the fouc singers she scored definite successes; with the other two, equally gifted musically but with less strongly developed personalities of their own, she was apt to destroy theic Individual conceptions and to try to impose Instead an interpretation at variance with their characters. Thus aoprano Enid Bannatyne in "Winterweihe," a beautiful song by Richard Strauss, and tenor Richard Frewer in Mozart's French setting "Dans un hois solitaire" were unable to withstand tbeir mentor's (perfectly valid) criticism and note by note restructuring.

On the other hand soprano Delith Brook, wbo sang Blondchen's "Durcb Zärtlichkeit und Smeicheln" from *Die Entführung nus dem Seroil*, and Christine Bunning, who tackled one of Elisabeth Schwarzkopf's own old favouritea, Wolf's "Storchenbotschaft," both ahsorhed the criticisms, rejecting anything that was invalid for their voices and personalities, and benefited noticeably from the class. The latter even beat her interlocutor at verbal repartec: when asked why she looked so pleased during the punch line of Wolf's not very funny tale of the shepherd visited by two storks, she replied "but I *like* twins!" Game, set and matcb to Miss Bunning.

Wembley Arena

Kiss

by ANTONY THORNCROFT

Heavy metal music might be for the mindless but there is no reason why it sbould also aim at tbe sigbtless. Kiss, tbe New Yock band which, no doubt sbrewdly, never allows itself to be seen without its stage make-up, ls as aoti-music as any of its heavy competitors with its deadening, unimaginative playing hut it is just about worth a trip out to Wembley for its eye appeal.

The first glimpse of the quartet — only achieved by balancing precariously oo the arms of a chalc for the Kiss crowd does not stand on ceremony when surging to get a sight of its beroes —is quite daunting. They look like something from the darker side of Tolkien, orcs would do, crossed with a gay samurai, and it takes a few songs before you really take in the see-through tights, the patches of cbest hair, the odd blend of the macbo and the pretty-pretty. By then you realise that the music is dull and deafening, and worse, badly played, apart from a gutsy drummer. The decent songs, "Doctor Love" nd "I was made for loving you" get the same mechanical processing. But the audience loved it and if you could switch off the ears a Kiss concert suddenly seemad quite intriguing.

For a start the audience played its part to the full, little knots of men—Kiss is for the hoys—slipping into bead shaking, body bumping routines whicb were of Tiller Girl precision. There was plenty of leather and bravado aod a rather attractive determination to respond to the Kiss appeal to set the Arena alight with sweat and noise and rock and roll.

Kiss played their part witb a well-rehearsed rontine wbich involved the bass playec Gene Simmons swallowing fire, a cbange from his irritating mannerism of leering out his tongue like a lizard, fireworks exploding in the background, a gigantic Kiss sign flashing its message to the world, a guitar set alight and a display of theatrical blood, also drihhled by Simmons, wbich togethec with its heavy use in Macbeth at the Old Vic, must be bleeding London dry.

The ultimate feeling la that Kiss is a theatrical trick which after seven years bas just about played out its commercial possibilities. Alice Coopec milked bad taste rock as fac as was publicly possible with mucb better songs: Kiss is just pushing cheap thrills. But there remains a market for heavy metal, and it has a certain stimulating nnmbness. You leave, worrying about your ears, but strangely exhilarated by the enormity of the awfulness of it all.

LPO appointments

Stephen Crahtree has been appointed managing director of tbe London Philharmonic Orchestra. He succeeds Eric Bravington who retired at the end of the 1979/80 season.

Nicholas Buscb, vice-chairman of the orcbestra since December 1976, has been elected chairman.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial prodnction, manufacturing ontput (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. ordec	Retail vol.	Retail value	Unemployed	Vacs.
1979							
1st qtr.	110.4	102.5	98	100.4	133.6	1,351	234
2nd qtr.	114.8	107.0	107	106.0	144.5	1,299	256
3rd qtr.	112.6	103.1	99	99.0	143.8	1,269	247
4th qtr.	112.5	103.8	106	101.0	151.0	1,286	230
1980							
1st qtr.	110.3	101.7	98	102.4	156.7	1,379	193
2nd qtr.	107.4	99.1		100.6	160.0	1,492	160
Feb.	110.3	101.1	97	103.1	157.5	1,383	191
March	108.9	98.4	105	101.8	158.4	1,414	181
April	107.2	98.4	93	101.3	159.7	1,458	169
May	106.9	97.0	95	99.7	158.9	1,484	163
June	108.2	98.2		100.7	161.1	1,535	147
July				99.0	159.6	1,606	126
Aug.						1,696	120

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
1st qtr.	105.9	99.1	127.0	98.7	98.4	100.0	12.9
2nd qtr.	108.8	102.7	133.1	102.6	110.0	103.4	21.3
3rd qtr.	105.9	95.9	132.3	94.7	103.8	100.6	21.0
4th qtr.	105.0	101.0	129.5	98.9	102.6	96.0	18.1
1980							
1st qtr.	105.2	101.7	124.0	99.3	60.3	91.9	12.3
2nd qtr.	101.2	96.6	123.0	94.0	90.9	86.7	16.2
Feb.	106.0	104.0	123.0	101.0	55.0	92.0	11.4
March	103.0	99.0	124.0	95.0	64.0	89.0	12.2
April	102.0	98.0	121.0	95.0	82.0	88.0	15.0
May	100.0	96.0	123.0	93.0	94.0	85.0	17.0
June	102.0	96.0	125.0	94.0	07.0	87.0	16.6
July							13.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balanca (£m); terms of trade (1975=100); excbange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−357	−229	160.4	21.69
3rd qtr.	129.8	128.1	−493	− 83	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−711	−157	103.7	22.54
1980							
1at qtr.	131.3	126.5	−723	−417	−126	100.7	24.87
2nd qtr.	129.2	124.8	−299	−149	+ 19	102.4	
Feb.	136.5	128.9	−232	−130	− 45	100.6	23.93
March	127.7	122.7	−176	− 74	− 5	100.6	26.96
April	127.2	127.6	−264	−214	+ 44	101.8	28.01
May	130.2	121.4	− 18	+ 32	− 10	102.0	28.28
June	130.3	125.3	− 17	+ 33	− 15	103.4	28.17
July	129.8	118.5	+261	+311	+102	103.8	28.27
Aug.							28.29

FINANCIAL—Monay supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growtb at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all aeasonally adjusted. Minimum lending rata (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP landing	MLR %
1979							
1st qtr.	7.2	8.4	32.6	+1,296	777	1,581	13
2nd qtr.	5.2	15.6	28.5	+2,628	777	1,867	14
3rd qtr.	12.0	11.2	13.2	+3,642	933	1,879	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,954	14
1980							
1st qtr.	−4.0	7.2	21.9	+1,723	634	1,974	17
2nd qtr.	−1.5	10.7	23.3	+3,186	697	1,972	17
Jan.	−6.9	8.1	22.6	+ 737	235	688	17
Feb.	−6.7	6.1	20.7	+ 271	199	665	17
March	−2.3	7.5	35.4	+ 711	200	641	17
April	−4.0	4.8	18.8	+ 695	266	675	17
May	4.0	12.6	21.9	+1,144	225	621	17
Juoe	−4.9	+21.4	28.8	+1,352	206	676	17
July	11.2	42.0	51.4	+3,502	340	672	16
Aug.							16

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholeaale prices of manufactured products (1975=100); retail pricea and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	72.4
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	73.8
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.8	200.4	194.3	352.2	251.1	284.47	72.6
April	175.0	202.3	197.0	260.8	254.1	275.67	72.6
May	178.1	200.4	199.0	263.2	255.7	268.23	74.3
Juna	183.6	201.1	201.0	263.7	257.9	267.45	74.4
July		201.8	202.8	267.9	259.9	173.57	74.7
Aug.		201.3	203.7			275.38	76.2

* Not seasonally adjusted.

Nashville

Country music awaits the call by FRANK LIPSIUS

The music business is getting used to stories about company executives wbo, under the influence of their own stars, become a little too involved witb drugs, women and the other parapbernalia of the trade. In the past, such storiea were restricted to late-evening conversation and became public only in discreet announcements of resignations "for peraonal reasons."

Now, bowever, the industry as a whole is suffering withdrawal from a massive "high" that only in retrospect appears to have been addictive and bad for everyone's health. The "high" was success which allowed executives to presume every release would go platinum. Every ralease waa then ahipped platinum and, for the unlucky ones, returned gold. Because the music business resisted the general business downturn in America over the course of the year, big companies put more money into their music operations. Middle-sized companies that had at one time supported an independent distribution network were swallowed up by larger companies, thus seriously hurting the independent distributors and threatening the demise of all but the majors. The record business looked like it would return to the days when there were only the major companies and a handful of major stars.

The record husiness did finally have its downturn, major companies suffered symptoms of withdrawal, and so now they are hankering aftec their next "fix." The last one was disco, which got off to a rollicking start with the Bee Gees and *Saturday Night Fever*. It has been steadily losing adberents since then and companies with major investment in disco bave been doing their best to salvage operations with a name cbange to "dance" music in the bopes something will come along that is danceable.

Meanwhile, the next major sound is supposed to be country music. After all, it has been waiting patiently in the wings, steadily plying its wares to the local southern market it bas always had. It has produced a few superstars of its own, like Dolly Parton, Kenny Rodgers and Crystal Gayle. It has heen the source of at least one recent film success, *Coal Miner's Daughter*, the film hiography of country-music stac Loretta Lynn (who is also Crystal Gayle's older sister). And country music is the source of at least two or three popular television award shows a year, bringing national attention to the regional sounds of country stars like Larry Gatlin, Moe Bandy and Joe Stampley.

If disco cose on the coat tails of only one film and one group, then surely country music has more than it takes to hecome the superstar sound predicted by major publications like the New York Timea and the Wall Street Journal. The Journal in particular carried a front-page article noting a number of new films featuring country music to show that it was a sure bet to dominate the record business. But the films bombed, including *Urban Cowboy*, which took the same formula as *Saturday Night Fever*, from basing the film on a magazine article to using John Travolta as the star, and put it in Texas to exploit country music. *Bronco Billy* seemed a sure winner because it stars *Clint Eastwood*. He never fails, but this time he has and with him go the country-mualc aongs ha added to the score. Another film was pulled back from release so Willie Nelson could write new songs for it in anticipation of this hungec for country music which bas just not occurred.

Willie Nelson

It is time to note that all the hype about country music did not originate in Nashville, the home of country. It plies its wares as it always bas, content to reach the regional market that supports it. A few stars have gone Hollywood. Nasbville used to resent that, but even if it no longer does, neither does it bave the ambition to see everyone go Hollywood or bave Hollywood go Nashville.

Nashville did not even get excited about the hype. It bas seen executives come and go with their promises of wbat was in store for the country sound. It has had stars coming in to record there for years, and their careers are not usually changed dramatically by the experience.

Billy Sherrill, one of country music'a most successful producers, professes some horedom at the prospect of the years ahead that will look like the years behind, producing hits that reach the top of the country charts in a predictable fashion with predictable income. He recently started his own label and gets some renewed enjoyment in finding new artists for it. Ooe of his recent finds, Lacy J. Dalton, is already a star after her second release. Since Sherrill writes many of the hits his singers record, he has reduced the husiness to a formula which he can succioctly describe: the songa bave to be one-on-one stories with some surprise in the lyric. The formula is such that the singers themselves start writing their own songa to fill their alhums, once they have become established with the songs of Sherrill'a.

At the same time, country music does depend on songs, and more particularly the lyrics of the songs, than does any other popular idiom. Country producers screen songs with a thoroughness unknown in other styles. Larry Butler, wbo produces Kenny Rodgers, claims to listen to 800 songs to get the ten needed for an album. Jerry Foster and Bill Rice, who comprise one of Nashvllle's legendary songwriting teams, also produce some artists, and for them tbey are constantly looking for songs.

Melancholy love songs continue as the mainstay of country music, but this season there have been a spate of patriotic numbers. Billy Sberrill, who once said all the patriotic singers ought to enlist rather than sing ahout war, has produced one called *The Greotest Love Affair*. Never caught without a surpriae in the lyrics, the song sounds like just another love song throughout Chnck Wollery's *four-minnte* narration. In the last cborus, tha subject of the romantic lyric with lines like, "I said I loved you so many times before" turns out to be America.

Another song in the genre was done hy a populac old western movie star, Rex Allen.

The executives who are expecting superstardom for country music may end up being right—but in a way that will not give them mnch satisfaction. With top 40 radio now much less populac tban different regional sounds, country music may be leading the way back toward a breakdown of national audiences. If so, country mualc will remain the guiding light, having survived on the symhiosis it enjoys with the American south.

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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

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Now for the real battle

WHILE THE Prime Minister has now acknowledged past slippage and reaffirmed the Government's commitment to its monetary policies, as might be expected, it is to be hoped that the present difficulties will not draw too much attention to a single statistic. A firm monetary policy, however that may turn out to be defined, is a necessary but not a sufficient condition for changing the course of the British economy. Under the right circumstances, it can restore realism. Under the wrong ones, it can only confer on its authors the posthumous heroism of a kamikaze pilot. The background is vital.

The helpful effects were illustrated yesterday when the Engineering Employers' Federation made a pay offer of 6.2 per cent. The response of the unions was predictably negative, but not militant. There is growing evidence that in the parts of industry subject to international competition, experience is indeed proving a persuasive teacher. Given the depth of the slump in profits, with some internationally known companies now declaring losses, this was to be expected.

Distortion

However, the doctrine that enterprises must settle pay according to their means contains a trap. If the pressure is too selective, the result is to distort *relative* pay. This not only dilutes the impact of the whole policy on inflation, but distorts the labour market in a very damaging fashion. It can be no part of our strategy to ensure that in the future, work in private industry shall be relatively the least rewarding available.

Since the Government directly controls a large proportion of the most sheltered jobs in the economy from this point of view—those in public services and State monopolies—its responsibility for these relativities is clear. It is for that reason, of course, that the Government has imposed strict cash limits on public bodies.

In terms of pure fiscal policy, this may appear an adequate answer; since cash limits control public outlays, it might be thought that this rule would be adequate to ensure that the Government makes its own planned contribution to monetary restraint, rather than allowing a cost over-run to tighten the squeeze on the private sector through forcing up interest rates and thus the exchange rate.

Borrowing

However, the limitations of this approach are becoming increasingly clear. From the point of view of the PSBR statistic, it makes no difference whether a cash limit is achieved by means of controlling costs, raising prices or selling physical assets; but from the point of view of the private sector, there is all the difference in the world.

Raising prices obviously passes the burden straight back to the private sector in *another form*—and a good part of it straight back to private industry. Indeed, where the rule results in public industries raising their prices in response to sales depressed by the recession, it imposes exactly the opposite response to that expected from private industry. *Other things*—notably efficiency—being equal, it is indeed arguable that the depressed revenues of public industry, like the sums spent on unemployment benefit, are a necessary public cost of tight policies. Nor is the sale of assets an effective substitute for good management; it absorbs the same funds that would otherwise be absorbed by borrowing, with the same effect on the private sector via the credit market.

Crucial winter

In short the Government, facing its most crucial winter, should be prepared to call the issue by its proper name. It is a pay issue. In the larger interest, it is no more possible for the public sector to meet excessive pay demands than for a private manufacturer facing a slump in sales and profits. Employees who have enjoyed Clegg awards to enable them to catch up with or (overtake) past increases in the private sector must now accept the uncomfortable half of the argument, and hold back with the private sector. If battle is joined on this issue and won, then the Government's policies may prove more effective than its authors dare to hope. If it is shirked, no technical devices will conceal the damage to private industry.

Barre sticks to his guns

CONFIDENCE is the hallmark of *the* Budget *published* in Paris yesterday: confidence that the Government's economic policies are correct; and confidence that M. Giscard d'Estaing is well placed to retain the presidency in next year's presidential elections.

With a budgeted deficit of FFr 29.4bn (about £2.9bn), M. Raymond Barre's Government has resisted pressure for a *major* reflationary boost to the economy. True, it is proposing tax incentives of FFr 25bn over five years, but that is a good deal less than the Left and some Guallists have asked for.

Optimistic

M. Barre has adopted the slogan that "severity works." As part of his long-term programme he has freed profit margins and greatly relaxed exchange controls. In order to keep France competitive in a difficult world he aimed at stable real incomes this year, and disposable real incomes have in fact risen by less than 1 per cent. Next year's official forecast of 2.7 per cent looks on the optimistic side.

The formula has made M. Barre unpopular. But the President feels safe enough not to sacrifice to the electorate a man in whose policies he believes. However, it is worth examining the record. A 2.2 per cent real growth of GDP expected this year is not bad by the standards of the times. The Government's forecast of 1.6 per cent next year looks rather less good.

Difficulties, it appears, will centre on corporate investment. The Government's forecast is for a 4 per cent real increase in industry's investments this year, falling away to 1 per cent in 1981. A lessened inflation rate is forecast, with consumer prices rising 13.5 per cent this year and 10.5 per cent next. This year's rate has been affected by dearer oil. But it would be rash to assume that nothing of the sort will recur.

M. Barre's policy is to counter inflation by keeping the franc strong. Maintaining short-term interest rates above those prevailing in Frankfurt has been an important ingredient. But French freedom is restricted, since the Bundesbank has followed a similar course. Expectations that Frankfurt would lower rates have so far been belied.

The matter is of much importance because the French current account looks none too healthy. A trade deficit of FFr 50bn is in prospect for 1980, and the habitual invisible surplus will not make up for it: the current deficit is expected to be of about FFr 25bn. Next year the Government expects the volume of exports to grow more quickly than that of imports. But from the point of view of external payments it is the terms of trade that will count.

M. Barre is also saddled with an unemployment rate of over 6 per cent, and with certain structurally weak industries. The steel industry of Lorraine and of northern France is one case in point. In term of numbers employed the fishing industry is small, but has caused a great deal of trouble of late. Even the motor industry is beginning to run into problems: the share of imported cars in the French market has risen to 24 per cent, and the Japanese, with almost 3 per cent, are approaching the point where the Government will feel uncomfortable.

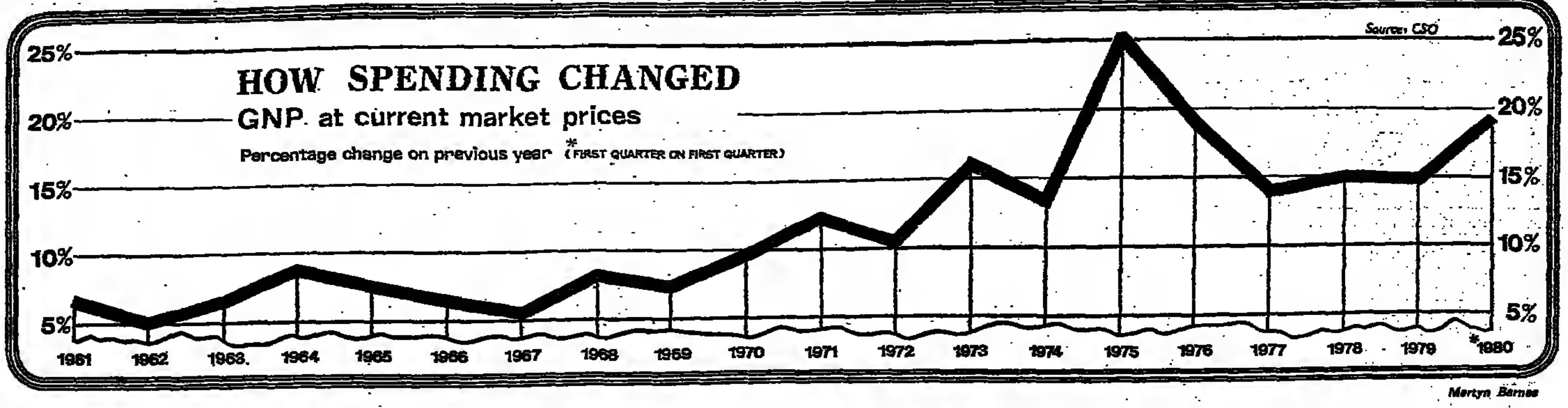
Nevertheless M. Barre has ruled out the option of devaluation. This is how he has put it: "It is not a question of adapting the franc to the needs of business, but one of business adapting its requirements to the needs of the franc."

Export credits

All that said, M. Barre has shown himself to be flexible in *practice*. A glance at previous French budgets shows this. In 1978 the budgeted deficit was FFr 8.5bn; the eventual outcome FFr 35bn. In 1979 a budgeted deficit of FFr 15bn swelled to FFr 37bn. In 1980 the budgeted deficit is likely to be exceeded by FFr 9bn. The divergencies are not the result of bad arithmetic but of a series of little reflationary packages.

Only the other day FFr 1bn was made available for credits to exporters, and another FFr 1bn for the elderly and families with children at school to increase flagging consumption. There is nothing to rule out similar measures in the future.

ECONOMIC VIEWPOINT BY SAMUEL BRITTAN



Martyn Barnes

How to re-launch the strategy

THE slight reduction in the age of grandpas who can buy granny bonds, and the increase in permitted holdings, amount to no more than a minor holding operation. Although trivial in terms of the number of additional savers who are offered inflation protection, the impact effect could well be sufficient to finance the Government's borrowing needs in the remainder of the financial year.

The announcement, plus the impact effect on the gilt-edged market — which sometimes seems as easy to lead by the nose as Hilaire Belloc's proverbial British journalist — could just do the trick.

But it does nothing to reduce the horrifying size of that borrowing requirement, itself revealed by the latest figures. Nor does it remove the monetary incontinence shown by the July and August banking figures.

Apart from the granny bonds, Tuesday's official statement consists of just that mixture of forecasts, hopes and good intentions which the Conservatives so loved to ridicule in the many Healey mini-budgets round about 1975 and 1976.

It is just possible that the reassuring forecasts will be not too far wrong on public sector borrowing. There are so many erratic quarter to quarter, as well as year to year, fluctuations in these figures that almost anything can happen. But no one pretends that the ground lost on the monetary side can be retrieved by the end of the financial year.

To say that the underlying increase in the money supply in July and August was "only" about 1 or 2 per cent in each of these months, almost deliberately misses the point. The 8 per cent exlosion in the monetary figures shown in July and August—with probably more to come in September—reveals monetary excess not in those months themselves, but in the whole two-year period up to June when the corset was distorting the figures. Part of this expansion — at a guess 5 per cent—must be attributed to the period since February when the present monetary targets have been supposedly in force.

If both monetary and fiscal policy have been so lax how can one explain the very sharp squeeze which industry has undoubtedly been experiencing? It is not that difficult.

An overrun in both the money supply and public sector borrowing has been offset by the effects of a high exchange rate on business sales and profits. This is fortunate: for otherwise we should have had runaway inflation instead of the reduction in inflation now clearly showing up in the indicators.

We cannot rely on such fortunate offsets continuing in future. The money creation of the recent past may not do much harm in slump conditions. But, convenient offsetting fluctuations in velocity tend to be temporary. If the excess money is stored up in the system it is likely to generate inflation later on, as the early 1970s demonstrated. In any case it is not a good idea that a navigator should steer blind equipped only with wildly misleading dials which by chance may produce offsetting errors.

If the government wishes to re-establish the credibility of its monetary strategy, it must aim to eliminate eventually the excess money created since last February.

It will not be feasible to eliminate the whole 5 per cent excess (if that is the figure) within the next 12 months. But it must be worked out of the system over the period up to 1983-84 which is the period covered by the medium term strategy. That is part of the point of having the strategy. In practical terms it means that all the annual monetary targets starting from the one to be rolled forward this October will have to be 1 to 2 per cent less than originally intended.

The alternative policy of wiping out the past and starting afresh for each short term period has been followed by the Federal Reserve in the U.S., where it is known as "base drift." As a result a series of apparently strict short term targets has been undermined because each past excess is written off every time a new short term target is declared. Its effect has been all too clear in the acceleration of American inflation and the weakness of the dollar. If the Chancellor harkens to the all too many voices arguing for "base drift" in the UK, we can say goodbye to all hopes of a new approach to economic policy and we will be stuck indefinitely in a world of double digit inflation, incomes policies and ineffectual pay ceilings.

The curious aspect of the public discussion of the monetary fiasco is that the innocent reader would not *know* that there is even such a thing as the Bank of England. Apart from a few discreet references to "the authorities" in City circulars, the impression is given that the corset fiasco is entirely due to the government or to "monetarists."

No one would realise from the public debate that there are at least ten times as many people concerned with monetary policy in the Bank as in the Treasury; or that the Governor regards himself as both chief adviser on and sole operator of that policy.

The corset, which distorted the monetary figures and gave an illusion of control, was invented by the Bank, and introduced three times under three successive Chancellors. The last two-year period, which ended this June, bridged the Healey-Howe period at the Treasury. It was then that lending was diverted outside the banking system only to re-enter it dramatically when the corset was lifted this June.

If the Bank had used its much-vaunted independence to point out relentlessly that it was impossible to control the money supply and hold down interest rates at the same time it would deserve some cheers. Instead it meets politicians more than half-way with schemes for massaging the figures or with money market intervention to prevent interest rates from rising when monetary control requires that they should.

Of course the Chancellor and perhaps the Prime Minister should be criticised as they bear the ultimate responsibility. And one of the things for which they should be censured is accepting the Bank's advice, not always but far too often.

Back to some first principles

IF CREDIBILITY is to be restored to the financial strategy, the main essential is to go back to fundamentals.

The ultimate magnitude which Governments should be trying to control is not the money supply itself, but total spending: in other words money times velocity or MV.

The promotion of a steady flow of total spending is a big contribution not only to price stability, but also to full employment. Indeed many of the early formulations of Keynesian employment policies were in these terms, including the famous 1944 White Paper.

If, despite a high and stable level of total spending, workers insist on pricing themselves out of jobs, there is little more that can be done to help purely *financial* policy.

The mistake of many mainstream economists is to suppose that they can control output directly by means of the budget or monetary measures, when all they can really influence are flows of money spending. The mistake of the narrower kind of monetarist is to concentrate on a stock of assets which happen to be labelled money rather than the total spending flow which it is sensible to control.

MONETARY GROWTH: HOW AND WHY

Average annual compound increase—per cent

	Rise in GNP at current market prices	Due to rise in money supply*	Due to change in velocity	Reflected in rise in real output†	Reflected in rise in prices‡
1963-72	8.5	8.7	−0.2	2.8	5.6
1972-76	18.5	14.5	3.5	2.2	16.0
1976-79	14.5	12.0	2.3	1.7	12.6
1979-80 (first qtrs)	19.2	12.9	5.6	1.1	17.9

Note: CHANGE IN GNP AT CURRENT MARKET PRICES EQUALS APPROXIMATELY CHANGE IN MONEY SUPPLY PLUS CHANGE IN VELOCITY. IT CAN ALSO BE BROKEN DOWN INTO CHANGE IN REAL GNP PLUS CHANGE IN PRICE LEVEL.

* Sterling M3. † GNP at 1975 prices. ‡ GNP deflator.

The top chart shows how total spending, which was rising by 6 to 8 per cent per year in most of the 1960s, soared in the 1970s to a 25 per cent peak, then settled down at around 14½ per cent before jumping again in 1979-80. In the early years about half the increase went into higher output and half into higher prices. But after the acceleration of the 1970s nearly all the increase went straight into prices. The growth of real output actually declined and unemployment rose.

Total spending cannot be controlled in any very precise quarter to quarter sense, which is why many practical economists dislike talking too much about it. But there is little doubt that its trend is influenced very strongly indeed by monetary and fiscal policy and probably by exchange rate movements too.

One expositional difficulty is that while nearly everyone can nowadays exchange cliches about the money supply, the magnitude which I have called 'total spendin' has several different names, many of which people find offputting. Unfortunately different names are offputting to different people, so it is very difficult to settle on terminology.

In fact expresions such as 'total spending,' 'monetary demand,' 'total expenditure,' 'the nominal national product,' or 'gross national product at market prices' mean very nearly the same thing. One reason for the proliferation of labels is that under the national accounting system, the circular flow of spending can be measured as expenditure, as production or as incomes generated; but they are all different ways of looking at the same thing.

The main practical reason for publishing money supply targets rather than total spending ones, is that the money supply is supposed to be—don't laugh—easier to control and monitor. National incomes figures appear with long lags and are frequently revised. Moreover the most important single influence on total spending is indeed the money supply, as the table shows.

But at times when the monetary measuring rod is breaking in our hand, or when there are abnormal changes in velocity, it is good to go back to basics: that is the control of total spending. There is also then a greater chance that people outside the gilt edged markets will understand what is being said.

Look for instance at the acceleration of total spending ("GNP at current prices"), to 19 per cent in the year to the first quarter of 1980. It is really a semantic question whether this was due to a 13 per cent increase in the money supply and one of nearly 6 per cent in velocity as the table appears to show, or whether the growth of the money supply was "really" 18 per cent, correcting for "corset" distortions, with only a normal per cent trend rise in velocity.

None of this is embarrassing or difficult if one *keeps one's* eye firmly on total spending and remembers that it can be influenced by things other than the stock of money for temporary periods which can run into years.

Not least of the advantages of focusing on total spending is that it takes financial policy out of the hands of the monetary technicians and back to the general economist. It also makes government policymakers less dependent on the somewhat questionable central banker "knowledge of markets and men."

I am certainly not suggesting that we should replace the stirling M3 money supply targets in the medium-term financial stratagy by either the nominal national product or anything else. The constant shifting of targets and objectives is part of the British disease. What I am suggesting is that we remember that the monetary targets are but a symbol or proxy for total spending, as measured by the nominal national product. It is on that which we should keep our eye.

MEN AND MATTERS

Cornell coup for Nadir

What price optimism in British industry these days, especially in the threadbare textile sector? One man clearly distancing himself from the merchants of gloom is Asil Nadir, who emerged yesterday as the holder of an option for November expiry on 57 per cent of the shares in a small east London fashion company, Cornell Dresses, which lost £53,000 in the first half of this year.

With Cornell's shares up sharply to 76p yesterday, Nadir has done well to secure his option at 19p. Cornell's Board is looking distinctly uncomfortable, with directors, their families and trusts having made irrevocable commitments at 19p for their collective majority holding to 38-year-old Nadir, a British citizen from the Turkish-speaking part of Cyprus.

Nadir's *Cornell coup* through his Jersey-registered Azania Investments follows a successful *stalking* earlier this year of ailing women's fashion company Polly Peck. But he spends the bulk of his time on Wearwell, the clothing group which he started in the late 1960s after settling in Britain with an economics degree from Istanbul.

Wearwell which recently won a Queen's Award to Industry for its export efforts, is prospering. Polly Peck is now involved in a £1m packaging venture in Cyprus. So why the interest in Cornell, which Nadir says represents purely an investment?

"I do not think the ills of the textile industry will stay around for too long," he says. Nadir is prepared to lend his own efforts to justifying his optimism. Last year, he tells me, he landed a £3m order for school uniforms in Libya, beating the opposition by flying out there himself and noting the special needs of the well-rounded local girls.

"Flamboyant chairman ousted in boardroom revolt . . . shareholders vote him back—it could be even bigger than Dallas!"

Sunbeam's loss

Dr. Tony Challis did well to heed the words of his father, an engineer with the old Sunbeam Car Co. With startling prescience, considering that the motor car was then in its golden age, he warned his lad not to join the industry as an engineer. It was increasingly run by accountants and stylists, he grumbled, "and it's going to get worse."

As a result, young Anthony's first steps into adulthood were guided on to a path which has led him to the peak as Chief Scientist at the Department of Energy. A chemist by training, Challis spent 30 years with ICI before being drawn into the backroom of the public sector in 1976 as director of polymer engineering at the Science Research Council.

Firmly based in research and development, he is best known outside the confines of technology for a co-operative, commonsensical approach—one of the characteristics he shares with Sir Hermann Bondi, the man he replaces next month.

I hear, for example, that he unabashedly retails a story from his times at ICI when the scientist in him glowed with pride at the sight of his brand new ethylene crackers and polythene plant coming on stream, and how the manager in him fretted a little at the growing stocks of this magical new material. Fretted, that is, until an anonymous entrepreneur invented the hula hoop, emptied his warehouses, and gave industry the time it needed to find more dignified uses for his product.

Well said

*If you think a "jug bustler" is the type of fellow who makes a fuss in public houses on a Friday night; or that an "unconformity trap" is the penalty that one must pay for eccentricity; then you are evidently not acquainted with the picturesque dialect of the oil industry. Heaven only knows what construction one might put upon a "sacrificial anode," were it not for a helpful glossary produced by Phillips Petroleum to justify the ways of wells to man.

The aforementioned anode turns out to be "a ring or slab of metal placed on a key part of an underwater structure in order to protect it from corrosion. The sea water attacks the anode rather than the structure." Even set down in such hard-boiled prose, the little story has it pathos.

A "jug bustler" is "a member of a seismic crew who operates the geophones" — whatever they may be — while the "unconformity trap" occurs where *impervious rocks* prevent the escape of hydrocarbons. "Zechstein," so far from being a minor central European state, is a salt-containing formation.

Mot injuste

"Denmarkisation" is a lumpen new word which came into being in certain diplomatic circles this summer—and was promptly pounced on by the Press—as a convenient way of conveying disdain for the Danes' alleged willingness to shelter under the NATO umbrella without *chipping* in a fair share of the cost.

While many Danish politicians—not to mention *the philologists*—are irritated by this crass and clumsy insult, Foreign Minister Kjeld Olesen has made a brave attempt to turn the affront on its head. "I like it," he told the Social Democratic Party Congress. "I shall not regret it if the term Denmarkisation should become recognised internationally."

Needless to say, the coiners, in their eagerness to do down Denmark, had blundered. Its correct use, the Minister explained chasteningly, was in the definition of all that was good and worthy of imitation in *Danish foreign policy*: such as taking seriously obligations to the Third World (Denmark is one of only four industrial nations honouring an international agreement to pay 0.7 per cent of gross domestic product in development aid), impeding the nuclear arms race, and contributing constructively to international understanding.

While his re-definition went down well enough among friends at home, should he beam with delight at the mention of the alleged word at future NATO meetings, I fear he may find he is contributing just a little to international misunderstanding.

What's yours?

"He's the kind of person who wants to see what he produces, and make it work, and know that it's filling a need for millions of consumers. I guess that's why it was his special dream to one day manage a detergent plant." — From a Henkel corporate advertisement, and attributed to Brigitte Rodriguez, whose husband, Jean Francois, dream come true, runs the company's works at Rheims.

Observer

EUROPE'S FISHING INDUSTRY

Too many men, too many vessels and too few fish

RICHARD MOONEY, reporting on the problems of the British industry, says that the EEC fishing fleets must be slimmed down.

THE SATURATION coverage given to the French fisherman's blockade of the Channel ports last month might suggest to the casual observer that the problems faced by the French fishing industry are exceptional. This impression has more to do with the Gallic talent for publicity than with the facts of the case.

All EEC fishermen are in trouble and have been for some time. But some of them have only recently come to realise the gravity of the situation. Throughout the Common Market fishing costs have been rising and recently prices have been falling. The majority of fishermen now say they are losing money and are clamouring for extra financial aid from their governments.

The basic problem is that Europe has too many fishermen in too many fishing vessels chasing too few fish. Fuel costs have soared and, following an unexpected cut in U.S. consumption because of the recession, the international market is overstocked, particularly with Canadian and Norwegian-caught fish.

Much of this surplus has been flooding on to the European market at give-away prices with which EEC fishermen cannot compete profitably. Because of the strength of sterling Britain has been a favourite destination for the cheap imports.

The industry has been shrinking during the last decade. Latest figures suggest that there are about 141,000 fishermen at work within the EEC compared with some 155,000 in 1970. The fall has been steepest in France where the number has declined from around 35,000 in 1970 to about 24,000 last year. In Britain the figure has remained more or less stable at 22,000.

In 1978, the total EEC catch amounted to close on 5m tonnes. Denmark had the largest share of this, up from about 20 per cent in 1965 to around 35 per cent. The Danes are the only EEC country to have increased their market share because they have invested heavily in industrial fishing for fishmeal. Britain's share has fallen from about 25 per cent in 1965 to about 21 per cent in 1978.

Operating subsidies could ease the immediate problems, as could protection against imports. But in the longer term something more fundamental is needed. And there is growing acceptance of the fact that EEC fishing fleets must be slimmed down to levels better suited to the reduced fishing opportunities which have resulted from the last decade's general switch to 200-mile coastal fishing limits.

Agreement on a common fisheries policy—which may now be reached in Brussels by the end of the year — will release some money to aid this process, but most analysts believe that the £212m available from the Commission is nowhere near enough.

Germany, the Netherlands, France and Denmark have decided not to wait for the EEC scheme to get under way and have introduced limited restructuring programmes of their own.

Last month's French protest was triggered by vessels owners' attempts to slim their operations to more cost-effective levels by laying up boats and dispensing with the services of many trawlermen — a process which has been going on in Britain for some time.

All EEC fishing fleets already receive fairly substantial subsidies from their governments. But the basis of payment varies from country to country giving rise to arguments about the comparative advantages, and even the legality, of certain types of aid.

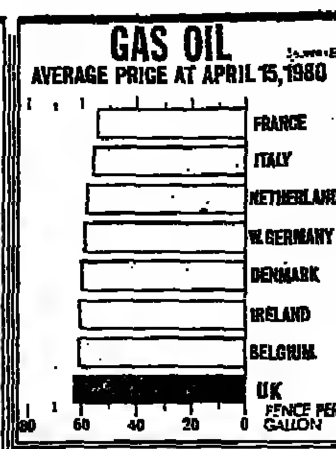
In Britain most fishing industry aid is traditionally paid in the form of grants and loans for building and modernising vessels, though a recently announced £14m aid package is expected to be shared out among vessel owners to offset expected losses. This extra aid will bring Britain's 1980 total to £32.9m.

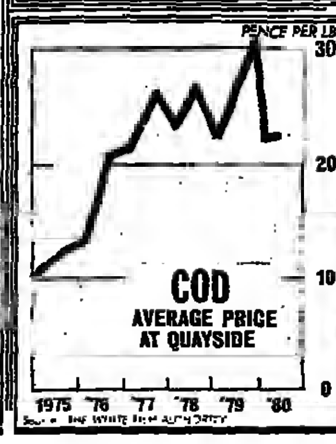
In other EEC countries, notably France and West Germany, a substantial portion of the aid is given in the form of fuel subsidies, which have a more direct influence on fishermen's operating costs, but which the British Government has claimed are against EEC rules.

French fishermen are far from happy with the size of their fuel subsidy. One of their main complaints in the recent struggle with the Government was that the real value of their £5m-a-year subsidy had fallen from 15 per cent of fuel costs last year to about 8 per cent.

Whatever their relative merits such subsidies can provide only temporary relief while the Common Fisheries Policy—a far-reaching scheme for the careful sharing and conservation of EEC fish resources and for reducing total catching capacity — is finally hammered out by Community members.

The need for such a scheme has its roots in persistent over-fishing which has reduced stocks of many species to worryingly low levels. Until the last decade there was little that could be done to prevent this. Apart from three-mile coastal bands around each country the world's oceans then consisted of "high seas" in which catch-as-catch-can was the natural order.





Martyn Barnes

But all that has now changed. The way was pointed by Iceland in the 1960s with its progressive extension of fishing limits to 50 miles—each time in defiance of outdated British attempts at gunboat diplomacy. Eventually, the rest of the world recognised the wisdom of Iceland's policy and in a remarkably short space of time 200-mile limits were general.

As a result EEC fishermen found themselves shut out of many of their traditional fishing grounds such as those around Iceland and Norway and more limited mainly to fishing in the "EEC fish pond." This is the area of sea covered by the 200-mile zones of the member countries. Where a non-member country is less than 400 miles away the limits stop at the half-way point. The pond also excludes the six-mile coastal waters around member states which are still treated as territorial waters.

An EEC policy was drawn up by the original Six, before Britain's entry, under which national limits are due to end at the beginning of 1981. This would allow members to fish up to each other's beaches—a prospect Britain has fiercely resisted.

If a full-scale Common Fisheries Policy is not agreed this year, however, it is assumed the EEC will "stop the clock" while negotiations continue rather than enforce this outdated policy which is now unacceptable to most members.

While this wrangle has dragged on, pressure on EEC fish stocks has increased inexorably.

The first stock to be driven down to danger level was the North Sea herring for which fishing had to be halted four years ago. Cod, haddock and flatfish stocks are now nearing danger point.

As a result, successive reductions in catch quotas have trimmed fishing opportunities to a level where few vessels can operate profitably. The UK which traditionally fished mostly for cod in the distant waters which are now shut off, has been the main sufferer and the effect on its mainly company-owned distant water fleet has been dramatic. From 500 ships five years ago this fleet—dominated by British United Trawlers, a subsidiary of Associated Fisheries — is already down to fewer than 100 operating vessels and those that remain are losing money.

An independent accountant's report commissioned by the British Fishing Federation, which represents the deep sea sector, showed that BFF members made an aggregate loss of £1.2m in the six months to the end of March and forecast that they would lose £1.8m more in the six months now ending.

Against this background the £14m aid package announced last month was predictably described by the BFF as "too little and too late" though it congratulated the fisheries ministry on getting any money at all out of the Treasury in current circumstances.

The inshore and middle water sectors of the fleet have fared much better than the distant water sector and until recently investment in new boats, especially the murderously efficient purse-seine type vessels, continued at what was widely regarded as "an alarming pace." Warnings on the folly of such investments are now coming true and most vessels in this sector are also making losses.

The inshore operators were temporarily saved by the sudden upsurge in the mackerel fishery in the last decade.

But warnings that the stock was being overfished have been heeded and this year the quota has been cut to about 180,000 tonnes. As a result the fishery offers only about one day's fishing a week for most vessels.

It is becoming increasingly clear that the only long-term solution to the British fishing industry's problems is to reduce its size. And, if planned restructuring with Government aid is not begun soon, the industry will be forced to restructure itself. But in that case it is feared that the newest, most efficient boats and the most skilled skippers would be the first to go because they are facing the most intractable financial problems.

A long time apostle of fleet restructuring is Mr. Charles Meek, chairman of the UK White Fish Authority. For several years he has been urging the Government to make money available for the planned reduction of the fishing industry.

But the Government is understood to be reluctant to spend any public money on such a scheme until the EEC's Common Fisheries Policy is agreed. This will release Common Market money already earmarked for the purpose.

According to Mr. Meek, Britain could expect to receive about a third of the £212m set aside by the EEC, well short of the £321m over five years he estimated was needed to restructure the British fleet alone.

Mr. Meek's campaign is strongly supported in a House of Lords report published yesterday. The report, by the European Communities Committee, calls for urgent action to achieve a viable UK fishing industry for the future. "The Government should prepare their own scheme for implementation as soon as possible: this should not be held up until agreement on this aspect of the Common Fisheries Policy has been reached," it says.

Letters to the Editor

Cost of kidney transplants

From Mr. James Bones

Sir,—David Fishlock's article "A Modern Medical Dilemma" very ably described the high costs per patient of modern specialty medicine. In the process, however, he did the kidney transplant programme a disservice. It is probably true that kidney transplant operations now total a figure of about 1,000 per annum nationally; and it is certainly true that they are life saving operations; but nobody has ever before, I believe, suggested that these operations cost as much as £30,000 to £40,000 each (roughly twice his calculated heart transplant cost)—or some £30m to £40m per annum to the National Health Service.

The NHS appears to know the price of everything and the value of nothing. Try finding out the cost of treating an ingrowing toenail let alone a real transplant, variously estimated (usually by the doctors involved who have little real qualification to act as cost accountants) at between £4,000 and £10,000 per patient over the past year. The difference between these latter figures and those used by Mr. Fishlock is so much that I find it necessary to challenge his figures.

On research and advanced fringe medicine of the kind discussed, Mr. Fishlock several times referred to the politician's wish to leave final decisions to "peer criticism." In principle, this is fine; in practice, politically imposed cash limits, in the case of the Dulwich Hospital Renal Unit, have resulted only a fortnight ago in an abrupt halt to renal transplantation, which threatens (for the sake of £250,000) to halt this life giving work at Dulwich Hospital until the next financial year, April, 1981. In that period of 8 months, some 40 to 50 transplants would normally have been undertaken.

So, at a stroke, unless there is a reprieve, some 5 per cent of the UK's transplant programme will be cut this year in effect by the politicians: for renal transplantation, as Mr. Fishlock indicated, is now well out of the experimental stage and though still high risk is accepted treatment by the profession as a whole. In this instance, the dilemma is not so much the cost implications of successful medical research but more the financial cut off point, which politicians must in the end determine, at which human life is no longer worth saving even if viable treatment is readily available. In fact, one of the reasons why renal grafts are available in the UK is the support given to this treatment of end stage renal disease by previous Administrations—including a publicity programme to raise the number of potential kidney donors which, over the last several years, must have cost the tax payer many millions of pounds. Now that the flow of kidneys is beginning to increase, the politicians have imposed financial conditions on the Health Service which are having the result of reducing rather than increasing the number of renal transplants being carried out.

Of course, renal transplantation is only one area of medicine where patient services are under severe pressure as a result of financial stringency; but, because of its life or death characteristics, it must rank as one of the most critical of all. Yet, under the umbrella of the philosophy sketched by Mr. Fishlock—and about which I am sure he is right—the politicians seem able to escape from the responsibility their position clearly carries, allow patients to die for want of available treatment, conspire by silence to avoid criticism, and like Pontius Pilate, wash their hands of what is happening at Dulwich Hospital (and wherever else next).

James Bones.
Chairman,
Dulwich Hospital Kidney Patients Association,
40, The Highway,
Sutton, Surrey.

Vehicle registration

From Mr. C. R. Pont

Sir,—Like Mrs. Meguyer (September 9) I own an off-the-road Jaguar, now 30 years old but not, apparently old enough to warrant "historic vehicle" exemption under the new road fund licence provisions. I too am dismayed by the proposals, but wonder if they will prove to be practical.

They will, presumably, require the precise legal definition of a vehicle. Is my Jaguar still a vehicle if I remove the wheels, or the engine? If so, is the collection of spares in my garage—nearly enough to build a complete car—also a vehicle? If so . . . etc., etc., down to the radiator mascot on my mantlepiece? One could perhaps assume that the definition will depend on registration (rather than licensing) of the vehicle at Swansea. If this is to be the case then occasional users have a solution—"scrap" the car, return the registration document to Swansea and apply for a new registration each time road use is needed.

The net practical result would be to substitute the word "registration" for licensing. Net cost to the car owner—a lot of inconvenience going through the registration procedure each time. Net cost to the taxpayer—a new computer and twice as many staff at Swansea to cope with the "new" registrations. Net effect on the tax dodgers—nil. They can simply drive unregistered cars (theoretically "scrapped" but retaining number plates and as difficult to detect as at present).

Is it too much to hope that the Minister will opt for the more practical solution of adding tax to fuels. Given the likely future oil supply position and the current and likely future state of the motor industry, I should have thought that the Government would be very keen to encourage people to buy cars, but not to use them.

C. R. Pont,
"Sunnydeane,"
Marshside,
Nr. Canterbury, Kent.

Reactor performance

From Professor W. Murgatroyd

Sir,—David Fishlock's brief but prominently displayed article "Reactors built in Germany 'work best'," which appeared on September 8, exemplifies the danger of seriously misleading your readers when quoting or summarising a statistical study of this kind. Even the so-called "very sophisticated type of computer analysis" referred to by Mr. Fishlock is still extraordinarily crude when related to the many factors which can determine the actual performance of nuclear reactors. By focusing attention on the country responsible for design or construction, or on the reactor type, a totally false impression can be given to the reader. National safety legislation and the way it is implemented varies from country to country; the operational skill and in-house rules of electricity utilities can also vary greatly even within the same country. These factors, which have so far defied quantification, may well contribute more to the difference in performance than the fact that the reactor was built in Germany or the U.S., or that it was a PWR, BWR or CANDU. Readers should also be warned against the uncritical use of the term "capacity factor" as a measure of reactor performance.

I hope that the author will publish his study in the scientific Press because that could provide a forum for informed discussion and criticism and, incidentally afford your correspondent the opportunity of presenting your readers with a more meaningful summary of this important topic.

W. Murgatroyd.
Imperial College, SW1.

British Rail's hara-kiri

From Mr. John Watson

Sir,—Your leading article today suggests that British Rail—on whom we all to some extent depend—is about to commit hara-kiri in the same way as the motor industry and many others. Owing to the intransigence and shortsightedness of their employees, prices are to be pushed up even higher and demand thus restricted. The only result will be that, instead of protecting their jobs, more will ultimately lose them than would otherwise have been the case.

Meanwhile, the consumer, who in this case is not able to turn to high quality imports at a competitive price, is obliged to suffer both the rip-off prices and indifferent grudging service.

John Watson.
8, Granville Road,
Southport,
Merseyside.

Commuting problems

From Mr. A. J. Greenstreet

Sir,—Mr. A. J. Jones makes an excellent point (Commuting Problems—September 8) when he suggests that employers in London and the South East should be allowed to assume some responsibility for the operation of commuter services, and that those who provide these services should be accountable to more influential organisations than commuter associations.

Progress in bringing commuter service operators up to a proper mark might also be made if employers were each to keep a book in which their employees would be encouraged to enter up defects in the services which they had encountered on their way to work. At the end of each month the personnel officer could then make a consolidated statement of complaints to the appropriate transport operator, require explanations and ask for reassurances about future performance. This should have a much more powerful effect than scattered complaints from isolated individuals and weak commuter associations.

A. J. Greenstreet,
23 Waverley Drive,
Camberley, Surrey.

Redundancy riddle

From Mr. J. P. Pickering

Sir,—I was in no way surprised to read in your paper dated September 8 that the leader of the Labour-run Wakefield Metropolitan Council should claim that the Government was mesmerised by statistics. Even less was I surprised to read that in his opinion the redundancies being sought could not come from the administrative staff. In his opinion redundancies would have to be found among teachers, residential care workers, dustmen and other council employees.

My 20 years' experience as a councillor in a local authority taught me that councillors, especially Labour councillors, are completely mesmerised by their administrative staff. Such councillors look upon their administrative staff as demigods whose comforts and wishes take precedence over that of the ratepayers whom they are supposed to represent, and certainly over those who render a real service to the ratepayers by doing a good job of work instead of merely pushing pieces of paper from one to another.

Councillors, especially Labour councillors, do not believe that the workers of the world should unite: they would prefer to remain mesmerised by their administrators.

J. P. Pickering.
Orchard Place,
Hexham, Northumberland.

The "strength" of the pound

From Mr. Roger Bartlett

Sir,—As a student of economics, I find it quite baffling that many commentators throughout the Press and media as a whole are unable to resist the temptation to value the Pound Sterling solely in terms of the American dollar.

While many do give us the 1971 (Smithsonian) parity figure, it is never used as a newsworthy indicator. Hence, the totally biased view that the pound is overvalued has emerged.

If British industry looked at the 1971 comparison in terms of a "basket of currencies" they would find that they are operating with sterling at approximately 76 per cent of its previous value. In my opinion, this means that our exports should be more competitively priced.

The fact that our export performance has not been good must, therefore, lie more with the quality of product and sales service provided than with any "unfair" price advantage as claimed by all sides of industry.

Let us put our own house in order before blaming any "unfair" advantages on the nearest and most convenient indicator that can be found.

Roger Bartlett.
9 Ardmore, Vicarage Road.
Leigh Woods, Bristol.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher is shown the work of the UK Atomic Energy Research Establishment, Harwell, by Sir John Hill, UKAEA chairman.

Sir Geoffrey Howe, Chancellor of the Exchequer speaks at Association of Metropolitan Authorities conference, Manchester.

Earl of Gowrie, Employment Minister, speaks at Peterborough and March.

Liberal Party Assembly continues, Blackpool.

Sir Peter Masefield, president-elect, opens International Federation of Airworthiness annual conference, Royal Garden Hotel, London (to September 13).

Sir Henry Plumb opens British Veterinary Association annual congress, York University (to September 14).

London Tourist board publishes annual report.

International Printing Machinery and Allied Trades Exhibition opens, NEC, Birmingham (to September 19).

World Carriage Driving Championships, Windsor Great Park (to September 14).

Overseas: Mr. Robert Muldoon, New Zealand Prime Minister, arrives in Peking for an official seven-day visit to China.

Chilean plebiscite on new constitution.

COMPANY MEETINGS

Crown House, Connaught Rooms, Great Queen Street, WC, 11. Unigate, Dorchester Hotel, Park Lane, W, 12. United Gas Industries, Connaught Rooms, Great Queen Street, WC, 12. Wellman Engineering, Parnell House, 25, Wilton Road, SW, 12.

COMPANY RESULTS

Final dividends: Guinness Peat. KCA International. Maynards. Interim dividends: Allen Harvey and Ross. Bridon. Hepworth Ceramic Holdings. Highcroft Investment Trust. Lyon and Lyon. Magnolia Group Mouldings. Prudential Corporation. Rosedimond Investment Trust. Sedgwick Group. George Spencer. Tavener Rutledge. Turner and Newall. United Biscuits (Holdings). Interim figures: J. Hewitt and Son (Fenton).

Babcock cut to £6m midway

AS EXPECTED, substantially lower profits for the first half of 1980 are reported by Babcock International, the major engineering and contracting group. The pre-tax figure has slumped from £15.48m to £6.1m on turnover of £407.86m, against £389.36m.

Sir John King, chairman, says the group has not been able to escape the effects of the recession on profits. He had warned in May that the group was suffering from falling orders, high interest rates and strong sterling.

However, he feels the group is well able to ride out the present conditions because of the group's many different products and businesses and the wide geographical spread. Long-term prospects remain bright.

The interim dividend is being maintained at 3.4p per 25p share—last year's total was 7p on pre-tax profits of £32.05m.

First half profits are after interest of £7.46m (£2.74m), investment income, £10,000 (£209,000) and associates' profits of £1.62m, against £1.2m. Tax charge is £3.6m compared with £6.2m.

There is also extraordinary credit of £1.49m (£5.4m) being realisations from sales of properties and investments.

The chairman says the most important aspect of the results has been the performance of the North American operations. In the recent past they have been the major profit contributor, whereas in the first half of this year their profits were insufficient to cover interest charges, including the servicing of funds raised to acquire those businesses.

The most depressed sectors served by the group have been the construction and motor industries in the UK and North America. Sales of construction equipment, chain and motor vehicle components to these industries, especially by plants in North America, were substantially below last year's levels and profits suffered accordingly.

Despite the economic difficulties, the process control and instrumentation business in North America achieved creditable increases in both turnover and trading profits.

Companies involved in the construction of power generation plants also performed well. The exception was Babcock Belgium, where trading conditions continued to be difficult but profitability was significantly improved by Babcock Power.

Babcock Moxey was again highly successful. Most of the other contracting operations, however, suffered from a shortage of work and losses were sustained by Babcock Contractors, Claudius Peters and Babcock Contractors Inc.

Faced with the declining volume of business, managers have been continuously balancing their labour forces throughout the period, taking advantage of natural wastage and effecting redundancies where necessary. The costs associated with these actions amounted to £900,000.

The board believes it improbable that there will be any significant favourable movement in North American markets generally before the middle of 1981.

Similarly, in the UK, the short-term prospects of an upsurge in demand for engineering products and capital goods are not good.

The total value of orders on hand at June 30, 1980, amounted to £816m compared with £806m at the start of the year. A Babcock Africa contract to supply and construct six 600 megawatt coal-fired boilers and ancillary plant at the Lethabo power station for a value of £295m, subject to escalation, was a major addition to the group order book, which at the end of July stood at £1.12bn.

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HIGHLIGHTS

Lex looks at the way the gilt-edged market boiled over yesterday with hopes on MLR becoming less enthusiastic, but interest rates are still expected to fall within a few weeks. Dismal news was revealed by the corporate sector yesterday and Lex considers three disappointing results. Babcock's profits have plunged, having been hit hard in the U.S., and P & O's shares fell yesterday as the group's interim performance fell below market expectations. Meanwhile at Thomas Tilling profits are up marginally but trading is becoming more difficult. On the inside pages the size of the loss reported by Carpets International caught the market on the wrong foot and BSR reveals a very hefty loss for its first six months. On the issue news front British Vita is tapping the market with a rights issue, York Water is raising money and Houston Oil is getting a London listing.

Carpets Intl. shows £4.67m loss

LOSSES OF £4.67m have been incurred by Carpets International for the six months to June 28, 1980, compared with profits of £0.67m in the same period last year. As a result, no interim dividend is being declared. Last year, an interim of 1.75p net was followed by a 0.75p final.

"We regard this performance as both unsatisfactory and exceptional," says Mr. J. M. Carpenter, chairman, describing the loss as due primarily to one of the lowest new housing starts post-war, high interest rates, mortgage difficulties and a high volume of low-cost imports. The group expects an upturn in trading in 1982 when, after three years of recession, interest and mortgage rates should be lower, with more people moving house.

Turnover for the half year amounted to £54.38m against £58.67m. After a tax charge of £0.14m (£0.42m), minorities held at £0.11m, and an extraordinary debit this time of £0.14m, the attributable loss is £5.06m, compared with profits last time of £0.14m.

Mr. Carpenter says the group has seen no signs of an improvement in UK trading. A cut in the minimum lending rate would be the single most helpful thing the Government could do to help the carpet industry.

The Board is taking vigorous counter-measures to restore profitability, the chairman says. Priority has been given, in the short term, to developing a more rigorous policy of cash conservation, and, in the longer term, developing strategies to streamline operations while maintaining capacity for growth, to cut costs, to reap the benefits from the company's substantial investment in new technologies, and to increase its share of the market on a profitable basis.

Rationalisation of product manufacture is taking place on a planned basis in the UK and is on its way to reducing factory floorspace requirements by 24 per cent. The number of employees has decreased by over 1,000 in the current year, about one-sixth of the total payroll. These measures will cut operating costs by at least £6m in a full year, directors say.

comment

Most analysts had been using red ink for their Carpets International forecasts but the extent of the loss was a shock and sent the shares down 3p to 20p, their low of the year. At this level, the company is capitalised at only £4.7m which compares humbly with shareholders funds of about £34m. The group is clearly going to need asset disposals since a comparable loss in the second half (and there is little reason to expect any better) would produce a debt/equity ratio of about 1:1. It is not encouraging that the first major sale, of an investment in Feltex New Zealand, threw up a significant book loss but the company insists that its UK properties, which are being extensively rationalised, are heavily written-down. The disastrous trading picture was reinforced by yesterday's grim losses from Youghal. In the first half of this year, industry exports were down 25 per cent and imports—mostly from the U.S.—were up 46 per cent. U.S. imports fell sharply in July but the pressure on CI is unlikely to relent for at least 18 months. By that time, with closure costs mounting this year, the group may need to utilise its recent connection with Hong Kong Carpet Manufacturers.

First half loss for Youghal

AFTER INTEREST charges up from IR£1.19m to £1.74m, Cork-based Youghal Carpets (Holdings) has plunged to a pre-tax loss of £1.56m in the 26 weeks to June 28, 1980, compared with a profit of £0.76m. The surplus for the whole of 1979 was £166,000 after second-half losses of £593,000—the results included rationalisation costs of £892,000.

The directors say there are no indications of short-term improvement in the trading environment and it is their primary objective to reduce debt and return the group to profitability.

They anticipate that the proposed £3.5m capital injection in the form of a subscription for preference shares by Foir Teoranta, an Irish Government agency, will contribute to the achievement of this objective.

First-half trading profits fell from £2.39m to £0.66m before depreciation of £479,000 (£439,000) and interest.

A tax credit of £522,000 (£97,000 charge) leaves a deficit of £1.04m (£862,000 profit) and preference dividends absorb a further £16,000 (same).

The loss per share is shown as 6.3p (3.9p earnings). The interim dividend is again omitted—the last payment was a single dividend of 2.045p net for 1977.

Newbold and Burton lower

Reflecting reductions in demand and profit margins, first half 1980 taxable profits of Newbold and Burton Holdings, ladies' footwear manufacturer, fell to £142,000 against £276,000.

The interim dividend is held at 1.4p—last year a total of 3.78p was paid from pre-tax profits of £841,000.

First-half sales amounted to £5.38m (£5.19m) and tax took £74,000 (£144,000).

Francis Parker well ahead

FROM INCREASED turnover of £11.2m against £9.62m, profits before tax of Francis Parker, raw materials supplier and manufacturer of concrete products, rose from £177,000 to £349,000 in the first six months of 1980.

Mr. R. K. Francis, chairman, is pleased with the improvement in the performance of the trading companies. But the deteriorating economic situation and persistently high interest rates make it unlikely that this rate of progress will be maintained in the second half, he says.

Tax charge in the half year is £12,000 (£3,000) giving earnings per share of 1.31p against 0.67p. Interest charge in the half year is £1.06m (£811,000).

Again, no interim dividend is being paid.

BRENGREEN

Further to its announcement regarding the purchases of Jobmart and Jobmart (North), Brengreen (Holdings) will be issuing 571,429 new ordinary shares as part of the consideration.

William Collins recovers midyear

AFTER a loss last time of £828,000 William Collins and Sons (Holdings), publisher, reports pre-tax profits of £175,000 for the half year to June 29, 1980, after depreciation costs down from £601,000 to £540,000, interest charges of £1.1m, compared with £1.12m, but including associates' profits of £127,000 against £175,000 last time.

Directors say volume sales and margins will continue to be affected by high interest rates, the strong pound, overseas competition and reduced public expenditure in the UK. The group's ability to meet these problems has strengthened due to the action being taken to improve efficiency and reduce costs, they add, but sales in the last four months are critical if the improved trend is to be maintained in the second half.

Turnover during the half year slipped from £29.32m to £28.7m. After tax this time of £78,000 (£90,000), the attributable balance was £97,000, compared with a loss of £918,000 last time.

Stated earnings per 25p share are 0.7p, against 6.7p loss, and an interim dividend of 0.5p net has been recommended. Last time both the interim and final dividends were omitted.

The board says the closure of the U.S. subsidiary is nearing completion and will be within the provision made in the 1979 accounts. The Australian company has returned to profitability and in the UK, results from the manufacturing division have improved.

The directors have decided not to introduce the employee share scheme at this time.

comment

It hardly needs to be noted that the UK publishing industry is going through an unhappy phase. For this reason it is all the more encouraging to hear of the £1m turnaround in Collins' interim pre-tax showing. The improvement came from a move into the black in Australia and a much reduced loss in the Glasgow-based book manufacturing business. The latter stems in part from 550 redundancies made last year. UK publishing remains tough however, and Collins has suffered a profit drop in this division. But it has been putting its balance sheet in better order with borrowings down from around £19m at this time last year to a current level of near £15m. With a possible £1m pre-tax in sight this year, the group is paying its first dividend since 1978, which is another encouraging sign. The shares rose 3p to 103p yesterday.

Dorada dives to £85,000

TAXABLE PROFITS of Dorada Holdings, vehicle distributor, engineer and merchant, fell in the six months to June 30, 1980, from £751,000 to £85,000 despite turnover showing a rise to £38.02m, compared with £35.61m, during the period.

The surplus was struck after more-than-doubled interest charges of £654,000 (£316,000) and losses of £271,000 attributable to a branch closure.

Since then, he says, matters have got worse. Car and commercial distribution is at its lowest ebb since the war and BL are scuppering the market with their unreal discounts.

But he feels that Dorada can weather this hurricane, although in his opinion, there will be no upturn until June, 1981, at the earliest.

The interim dividend is maintained at 2.1p net. Last time a total of 5.47p was paid from pre-tax profits of £1.85m. Gross earnings per 25p share are given as 3.5p (12p).

Mr. Thomas Kenoy, the chairman, says that by normal criteria the interim should be reduced but the company has good assets and no cash problems. This influenced the dividend decision.

During the six months the motor division's turnover amounted to £28.52m (£30.8m) with profits of £614,000 (£847,000). Engineering contributed £5.4m (£4.8m) and £224,000 (£220,000). Merchanting turnover was £4.06m and profits £172,000.

The commercial vehicle operation in London Road, Glasgow, has been closed since June 30. The downturn in trade plus a five-week strike resulted in losses. These losses had to stop, the chairman says.

The company is also ceasing trading in the public service vehicle sector.

The chairman says that the engineering companies started the year in a buoyant mood but they are now feeling the effects of the recession and order books are getting thin.

The merchanting division is trading profitably and the trend is improving.

SPAIN

September 10	Price %	+ or −
Banco Bilbao	237	+6
Banco Central	270	+9
Banco Exterior	212	+2
Banco Hispano	237	+8
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	270	+5
Banco Urquijo	141	+5
Banco Vizcaya	250	+10
Banco Zaragoza	226	+6
Dragados	111	+2
Espanola Zinc	70	
Fecsa	64.5	+1.5
Gal. Preciados	33	
Hidrola	68.7	+1.7
Iberduero	67.2	+3.7
Petroleos	117.5	+6.5
Petroliber	80	
Sogefisa	107	
Telefonica	83.5	+2
Union Elect.	70	+1.8

ISSUE NEWS

British Vita plans £5m rights as profits slip

British Vita, manufacturer of plastic and foam compounds, is raising £5.35m by way of a rights issue on the basis of one new share at 105p for every four held on September 1.

The company has also published interim results showing pre-tax profit down 9.5 per cent to £3.7m from £4.1m despite a 47 per cent rise in turnover from £31.7m to £46.6m.

Profit attributable to shareholders dropped 22 per cent to £2.3m from £2.9m or 10.7p a share basic (15.1p), 10.3p a share fully diluted (14.3p).

The interim dividend has been raised from 2.4p net to 2.6p and the company has undertaken to maintain the 2.6p final rate in the absence of unforeseen circumstances.

The chairman notes that profit on international operations has grown while profits in the UK have declined and the UK tax rate has risen from an estimated 25.5 per cent in the first half of 1979 to 38.5 per cent in the current period. The directors expect that pre-tax profit margins will be reduced in the full year by the continuing impact of the recession, high interest rates and the strength of sterling but they believe it would not be prudent to make a forecast. Abroad, no increase in demand is anticipated although margins remain satisfactory.

British Vita's first ever rights issue is to permit the group to retain the flexibility to respond to opportunities while maintaining an appropriate balance between equity and debt finance.

The issue, which has been underwritten by N. M. Rothschild and Sons, will consist of 5,286,849 new shares of which 1,456,438, 27.5 per cent, are being placed with institutions at 16p a share on behalf of certain directors and substantial shareholders who are not taking up all of their rights. Dealings in the new shares will begin on September 15.

comment

Given the indifferent interim results from British Vita and the depressed share price, the timing of the £5.35m rights issue is not ideal. The group has an unusually good record with acquisitions and it believes the opportunities it can seize in the next year or so will overcome quickly the diluting effect of the issue. In the meantime, the proceeds should also cut borrowings from more than 50 per cent of shareholders' funds to about 30 per cent and reduce high interest charges. Trading prospects for the balance of the year remain dull, given the recession in the furniture and other consumer industries where Vita sells most of its foams, fibres and fabrics, and pre-tax profit for the year could drop 16 per cent to £7.5m. The prospective ex-rights, fully-taxed p/e on the average share capital in issue during the year is about 6 and the shares, which fell 8p to 132p yesterday, could face further pressure. The prospective yield on the promised maintained final is just under 6 per cent.

O.R.E. share placing at 67p

ORE, a supplier of underwater acoustic instrumentation, is raising £203,000 after expenses by way of a placing of 375,000 shares, 37 per cent of those issued, at 67p a share. Dealings in the shares are expected to begin under Stock Exchange rule 163 (2) on September 16.

Proceeds of the issue are to be added to working capital and to repay a $47,148 loan from the company's U.S. parent, ORE Inc., a subsidiary of Ocean Research Equipment of Falmouth, Mass. As a result of the placing, ORE Inc's holding drops from 63 per cent to 40 per cent.

ORE was established in July, 1978, to provide services in the UK and Ireland, particularly to the offshore oil industry. It has also supplied equipment and personnel for work in Norway, Eastern Canada and the Middle East.

Profit before tax in the 14 months ended September 30, 1979, was £52,510 on turnover of £357,130. The company is forecasting pre-tax profit of not less than £85,000 in the year ending September 30, 1980. In 1979, no single customer accounted for more than 15 per cent of turnover but in the current year a contract with a multinational oil company is estimated to account for 40 per cent of turnover. It is not intended to pay any dividend in respect of the current year.

ORE purchases most of its equipment—85 per cent in the current year—from its parent and is the exclusive distributor of ORE Inc. products in the UK and Ireland.

Brokers to the placing are Schaverien and Co.

Listing for Houston Oil

TRADING ON the London stock market begins today for the newly listed Houston Oil and Minerals Corporation, a U.S. company already listed on the American Stock Exchange. The company has 32.7m shares in issue and yesterday's U.S. share price stood at $38 (£15.8).

Mr. Fox Benton, the president of Houston Oil, said yesterday that he had sought the London listing because the group had expanded from its American base into a multinational organisation. "We want to establish a presence in the financial community which is consistent with our operational presence," he said.

Although more than 80 per cent of the company's activities continue to be in the States, Houston Oil has taken stakes in two British consortia bidding in the Seventh Round of North Sea licence applications. The company has a 25 per cent holding in the Ultramar group which is seeking four blocks and it has a 20 per cent interest in the LASMO group which is requesting two blocks.

Based on the company's current U.S. share price it is capitalised at more than $1.1bn (£458m). Last year's net earnings were $66m on total revenues of $352m. In the six months to June 30, revenues were $198.6m and net earnings totalled $29.2m.

Brokers to the listing are Cazenove and Company.

Confidence at Rothmans

The chairman of Rothmans International said at yesterday's annual general meeting that overall sales during the four months of the current year were not significantly different from those of the corresponding period a year ago and were broadly in line with expectations.

Exports of the group's brands of cigarettes from the UK and other European sources were ahead of the comparable level, he said.

Preference offer by York Waterworks

The York Waterworks Company is offering £1.5m of redeemable preference stock by tender. The stock carries a coupon of 9¼ per cent and a minimum issue price of £100, which produces a gross redemption yield of 13.57 per cent. It is redeemable at par on September 30, 1983.

The stock is denominated in amounts of £100 and applications, accompanied by a £10 deposit per £100 nominal must be received before September 17. The first dividend will be payable on January 2, 1981 and thereafter half-yearly on July 1 and January 2.

Brokers to the issue are Seymour, Pierce and Company.

comment

Following the failure last month of the Newcastle and Gateshead offering, York Waterworks has put together an attractive issue. The coupon rate is one full point higher than that on the Newcastle and Gateshead, the term is three years rather than five and the yield is slightly above the current rate on three-year gilts. The York offer might be compared with the Sunderland South Shields issue early in July, which raised £3m at 9¼ per cent. That is now priced at 101 bid ex-dividend and subject to stamp duty with no stock on offer. The smaller York issue should move comfortably and a one point premium may be needed to obtain an allotment.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Babcock	int.	3.4	Oct. 20	3.4	—	7
Banro Consold.	int.	0.58	—	0.58	—	3
Biddle Holdings	int.	2.4	Oct. 30	2.4	—	8.6
BSR	int.	nil	—	1.41	—	2.83
Carpets Intnl.	int.	nil	—	1.75	—	2.5
William Collins	int.	0.5	Oct. 13	nil	—	nil
Cosalt	int.	1.5	Jan. 6	1.5	—	3.5
Dorada Holdings	int.	2.1	Jan. 2	2.1	—	5.47
Robert M. Douglas		3.4	Oct. 17	3.2	4.5	4.17
F. and C. Eurotrust		1.45	Oct. 22	1.2	1.45	1.2
Harrisons Malaysian		5.5	Oct. 22	5	6	6.5
Jones and Shipman	int.	1	Oct. 17	0.93	—	3.53
Lead Industries	int.	3.7	Nov. 28	3.7	—	9.66
Leyland Paint	int.	nil	—	1	—	3
Minerals and Resources		16§	Oct. 24	8	20	12
Montford (Knitting)	int.	1	Oct. 23	1.28	—	7
Newbold and Burton	int.	1.4	Oct. 21	1.4	—	2.76
Nurdin and Peacock	int.	1.88	Oct. 24	1.5	—	3.6
P. and O.	int.	3	Jan. 6	3	—	7
Portals	int.	4.75	Dec. 31	4.25	—	11
Thos. Tilling	int.	3.5‡	Jan. 2	3	—	7
Zambia Copper		3.5§	Oct. 24	nil	3.5	nil

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To compensate for delayed payment. § U.S. cents throughout.

CAIRD DUNDEE

Caird (Dundee) directors said at the AGM that prices are still unsatisfactory but accounts for the first three months indicate that the company has been operating profitably. They would not predict how long this will continue since the carpet industry is still suffering from gross overcapacity and savage competition from imports from both the U.S. and Europe.

P & O drops to £12.9m at halfway

WITH SOME activities in the UK adversely affected by the trade recession, pre-tax profits of the Peninsular and Oriental *Steam Navigation Company* fell from £13.78m to £12.91m for the first half of 1980.

All shipping divisions have had to absorb large increases in the cost of fuel, compared with the same period in 1979, while the strong pound has depressed shipping and overseas profits.

However, oil trading activities again produced good results and other divisions generally maintained profits.

Although the group's ferry services hava been seriously affected by the French fishermen's blockade of the Channel ports, the board sees no reason at present to depart from the chairman's forecast in his annual statement that profits were unlikely to increase olber than moderately over the full year.

Last year, profits before tax totalled £38.72m.

Trading conditions in the UK are expected to remain difficult for the second six months of 1980, but although there will be little relief from the interest burden and sterling continues *to be* strong, the second half is expected to be seasonally stronger. Oil trading activities continue to perform well.

Continuing high interest rates left the interest charge for the half year little changed at £20.4m (£21m), despite a reduction in overall borrowings *from £413m* to £292m.

Tax charge increased by £1.5m to £7.9m largely due to higher tax in the U.S. on oil trading activities. Earnings per £1 deferred stock dropped from 4.8p to 3.3p, but the interim dividend is held at 3p net—last year's final was 4p.

Gross revenue from outside the group climbed in the period from £567.1m to £1.05bn.

Operating profits slipped from £26.15m to £24.1m, which included reduced profits of £0.6m (£1.95m) on the sale of ships. Associates' contributions improved *from* £8.63m to £9.21m.

A divisional breakdown of the total operating result (including associates) shows: bulk shipping £3.8m (£3.3m), general cargo *£11.2m* (£9m), passenger £0.4m (£4.1m), European transport and agency services £0.5m (£1.2m profit), energy £8.6m (£6.6m), Bovis £2.9m (£4.2m), P. and O. Property £2.3m (£2.5m), UK banking £1.5m (£0.6m), UK insurance nil (£0.5m), Australia £3.2m (£3.9m), other overseas £1.2m (£0.3m). Head office expenses less other activities accounted for £1.3m (£1.4m). Last year's figures have been adjusted for comparable disclosure of overhead costs.

Exchange losses jumped from £607,000 to £2.88m, while extraordinary debits took £226,000 (£1.32m credits) which comprised a £0.5m loss on sale of trade investments and subsidiaries, less a £0.3m profit on sale of properties.

Attributable profits emerged well down at £1.66m, compared with £7.55m. Dividends again absorbed £3.4m, which meant that £2.64m was brought from reserves (£3.25m to reserves).

	Six months 1980 £000	1979 £000
Gross revenue*	1,048,352	567,128
Depreciation	21,413	24,608
Sale of ships' prts.	602	1,947
Operating profit	24,104	26,154
Associates' share	9,211	8,627
Making	33,315	34,781
Net int. payable	20,405	21,004
Profit before tax	12,910	13,777
UK tax	1,924	1,521
Overseas tax	4,348	3,475
Associates' tax	1,645	1,372
Net profit	4,993	7,409
To minorities	230	579
Exchange losses	2,880	607
Extraord. debit	226	†1,322
Attributable	1,657	7,545
Pref. dividend	59	59
Dvdd—interim	4,240	4,239
From reserves	2,642	‡3,247

* From outside group. † Credit. ‡ To reserves.

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Harrisons Malaysian over £31m

TAXABLE PROFITS of Harrisons Malaysian Estates, an 80 per cent owned subsidiary of Harrisons and Crosfield, rose from £30.47m to £31.26m in the year to March 31, 1980, and the dividend is lifted by 1.5p to 8p with a final of 5.5p.

The directors warn that given present prices for its produce—rubber, palm oil and kernels, copra and cocoa—it may be hard to match this result in the current year.

Profits from these commodities fell marginally from £26.69m to £26.24m during the year, but the *pre-tax surplus* also includes higher investment income of £3.57m (£2.9m) and other income ahead at £1.03m (£458,000). Associates contributed £424,000 (£420,000).

Stated earnings, after tax of £13.8m (£13.99m) are up from 9.84p to 10.43p per share.

Sharply increased exchange losses of £1.94m (£606,000) leave the attributable surplus lower at £15.48m, compared with £15.68m last time, when there was also an extraordinary debit of £142,000. Dividends absorb £13.36m (£10.85m) and the balance retained emerges at £2.12m (£4.52m).

A breakdown of crops harvested and the profits they contributed shows that palm oil and kernels produced a surplus of £15.48m (£16.37m) from a crop of 142,074 tonnes (136,135); cocoa £4.93m (£5.93m) from 5,258 tonnes (4,917); copra £603,000 (£509,000) from 5,083 tonnes (4,529) and rubber £5.23m (£3.88m) from 40.23m kg (40.62m kg).

They add that expenditure planned for this year amounts to some £3.4m on planting and £3.7m on buildings, equipment and vehicles.

● comment

A 35 per cent increase in rubber profits has cushioned HME against the weakness in cocoa and palm oil prices, as well as the effect of sterling's rise against the ringgit—which knocked close to £3m off profits. Rubber benefited not only from rising prices and a higher yield, but also from a reduction in export duty which offset the slight duty increase on palm oil. The palm crop is good enough so far this year to absorb a degree of price weakness and rubber remains firm so the company's forecast, as ever, looks conservative. Yesterday's price of 166p values the company's plantations at around 6,700 ringgits per acre which is by no means excessive, even if the continuing uncertainty over "Malaysianisation" places a question mark against the estimated value. The dividend has been increased despite the weak cover and fall in attributable earnings. It produces a yield of 7.1 per cent.

R. Douglas pays more

Taxable profits of Robert M. Douglas, civil engineer, builder *and contractor, rose in the year* to March 31, 1980, from £2.98m to £3.27m despite a setback at midyear from £1.65m to £1.15m. Turnover for the year increased to £93.29m, against £70.1m.

After tax for the 12 months of £1.39m (£768,000) and an extraordinary debit of £170,261 (£168,460), attributable profit shows a drop from £2.04m to £1.7m.

A final dividend of 3.4p makes a total of 4.5p net, which compares with 4.1655p last time. Earnings per 25p share are given as 18.6p (21.8p) and asset value per share is shown as 212p

BSR topples into loss of £3.4m in half year

LOSSES of £3.44m have been incurred by BSR, the record changer and consumer products group, for the first half of 1980, compared with pre-tax profits of £2.55m in the same period last year. At the end of 1979, pre-tax profits of the group had dropped from £14.7m to £3.3m.

The directors are not paying an interim dividend this year compared to last year when a 1.4129p interim was declared followed by a similar final.

As regards dividends this year, this will depend on the results as well as the outlook for 1981, the directors say.

All expenditure throughout the group is being examined to reduce the break-even point in each of the operations but as the recession bites, this is becoming more difficult, the directors say.

In addition much emphasis is being placed on reducing group stocks substantially by the end of the year to reduce bank borrowings.

Directors have already reduced record changer capacity still further by closing the factory in East Kilbride in July and by having further redundancies in the Midlands as well as short time working.

Though action is being continually taken to reduce cost of production the savings made are being eliminated by the continued upward movement in the pound sterling against all other major currencies. Cost inflation as well as the strength of the currency is fast eroding whatever profit margins there were on exports.

The consumer products division is now feeling the adverse effects of the recession and it is doubtful if the results for the second six months will measure up to those of the first half.

	First half 1980 £	1979 £
External sales	69,278,242	75,246,287
Trading profit	559,541	5,754,270
Exchange losses	1,327,039	2,032,729
Interest paid	2,662,939	1,158,061
Loan interest	13,866	16,568
Loss	3,444,303	*2,546,912
Tax credit	867,177	†1,135,923
Net loss	2,577,126	*1,410,989
Extraord. debits	2,061,039	—
Minorities	1,056	12,372
Retained profits	48,204,893	57,927,548
Interim dividend	—	1,259,305

* Profit. † Charge.

● comment

There are few obvious chinks of light in the gloom surrounding BSR. The first half loss is rather larger than expected, and the share price eased 1p on the news to 21p, though the passing of the interim dividend must have been fully anticipated. Demand for the products of the sound reproduction side remains depressed — current output of around 90,000 units a week is less than half the peak levels of a few years back—and the group fears that sales could weaken again in the final quarter. The consumer products side has become overstocked, and there is a general attack on group debt which has reached £35m net. At least BSR is talking about reasonable profits next year from its X10 switching device, soon to be launched in Europe, and from the computer components business in Hong Kong. But a further group loss seems inevitable for the current half, and shareholders face a further period of severe un-

Montfort down half-time

TAXABLE PROFITS of Montfort (Knitting Mills), the hosiery and knitwear manufacturer and distributor, slumped from £399,051 to £93,489 in the six months to June 30, 1980. The directors say the deepening recession and a *marked* fall-off in consumer spending has meant that major retailers' programmes for the intake of new merchandise were severely curbed.

"While trading levels in the High Street remain depressed," they add, "it is not possible to be optimistic as to the outcome for the full year."

Turnover for the period slipped from £5.34m to £5.22m. Tax took £18,698 (£151,998).

The interim dividend is 1p net (1.275p) per 25p share last year a total payment of 7p was paid from pre-tax profits of £909,939.

WEBER HOLDINGS

Weber Holdings has sold its property at 31-35 West Road, Tottenham for £625,000. At the end of 1979 it had a book value of £87,090.

Nurdin and Peacock moves ahead £0.4m

TAXABLE PROFITS of Nurdin and Peacock, cash and carry wholesaler, increased from £2.32m to £2.71m *for* the half year to June 28, 1980, on higher turnover of £157.55m, compared with £129.79m.

Mr. W. M. Peacock, the chairman, says record sales are anticipated for the full year. Since the end of June the increase has averaged 24 per cent, although this compares with a poor background of sales last year in the aftermath of the June budget.

Last year's sales totalled £261.26m and pre-tax profits came out at £7.05m.

This year, the mix of sales has shifted in favour of consumable goods. For this reason and the generally volatile nature of the market place, the chairman says it is even more difficult than usual to forecast the likely profits *outcome for the second* half.

He remains hopeful, however, that last year's profits total will be exceeded, although much depends on the important period between now and Christmas.

£436,000 (£508,000) leaving net profits up from £1.81m to £2.27m. The interim dividend *is raised* from 1.5p to 1.875p net—last year's final was 2.1p.

The building of the company's new branch at Cardiff is on schedule and is expected to be operational in the first half of next year. Contracts have been exchanged for the purchase of a site between Coventry and Nuneaton.

● comment

As ever Nurdin's results are nothing if not solid. Sales in the first half are up by 21 per cent taking in volume growth of around 8 per cent. Profits have risen over 16 per cent showing a small decline in margins which can be attributed to a slight change *in the sales mix to lower* margin consumable goods, initial losses on its Luton branch opened in May and inevitable competitive pressures. On the other hand interest receivable is up by 10 to 12 per cent—the last accounts showed cash of over £15m. Retailing customers are probably more important than the catering trade overall and so for some years the declining role of the independents in the *face* of supermarkets has been a cause of concern. However the hyper-market concept is rebounding on the high street supermarkets and Nurdin feels the smaller independents are feeling a little more happy despite the pressures on retailing generally. Christmas is, of course, all im*portant to the second* half but the year could produce about £8m pre-tax. A fully taxed prospective p/e of nearly 13 at 174p and yield of 3.7 per cent (taking a line through the interim) is not cheap but the company's record and reputation sustains the price.

Jones & Shipman higher

REPORTING A modest improvement in first-half 1980 taxable profits from £1.27m to £1.36m, Mr. F. W. Brooks, the chairman of A. A. Jones and Shipman, maker of high precision machine tools, says that trading conditions have dramatically altered since his annual statement made in April.

The level of incoming orders from the home market has fallen drastically and there are no signs of an early improvement. Some overseas markets are quite buoyant, but in others the combined impact of UK inflation and the strong pound *is affecting* sales.

Profit margins are being reduced where necessary in an endeavour to remain competitive.

The company's outstanding order book is being eroded but currently provides a reasonable work load for the remainder of the year, the chairman states.

Turnover for the first six months advanced from £9.74m to £11.21m.

After tax *of* £323,000 (£362,000) earnings per 25p share rose by 0.8p to 11.3p. The net interim dividend is effectively improved from 0.925p *to* 1p—last year's total was an adjusted 3.525p.

BIDS AND DEALS

Starwest revises position after talks with Panel

BY ALAN FRIEDMAN

THE SAGA of Starwest's 120p cash bid offer for Gough Cooper, the housing estate developer and contractor, continued yesterday as Mr. Remo Dipre, the chairman of Starwest, sought to clarify his statement on Tuesday that he had "no intention of increasing the offer."

Starwest, the private company which acquired 29.5 per cent of Gough Cooper in a dawn raid on July 22 and then on Tuesday came out with a full-scale offer, revised its position yesterday after hasty consultations with the Takeover Panel.

Referring to newspaper reports yesterday, Starwest stated that "for the purpose of the Takeover Code we wish to make it clear that Starwest will take note of any additional information or changed circumstances of which we may hecome aware during the course of the offer and at such time will consider whether such additional information or changed circumstances would justify an increase in the offer."

Mr. John Bancroft, Starwest's adviser at the Twentieth Century Banking Corporation, explained last night that when Mr. Dipre had said he had no intention of increasing the offer, "he didn't realise that it was a binding situation under the Takeover Code."

"At the time the man was under pressure from journalists' questioning," Mr. Bancroft commented.

Mr. Bancroft said that he realised the implications of Mr. Dipre's statement yesterday morning and secured the approval of Mr. Richard Freeman, secretary of the Takeover Panel, to issue a statement clarifying the situation.

Mr. Freman confirmed that he had discussed the matter with Mr. Bancroft yesterday morning. "On the face of it people are usually bound by what they say unless they correct it pretty quickly," he said.

He explained that "a lot of confusion surrounds the use of the word 'intention' and the situation is often clarified by the use of the phrase 'present intention' by the relevant director."

"Under Rule 22 of the Takeover Code, a statement of intention is binding, but corrections can be made immediately," he said.

Mr. Freman noted that "one must be reasonable and give people at least a short amount of time to put things right." He said that in the case of confusion about Starwest's offer price, a day was the "limit" for clarifying matters.

Last night Mr. Bancroft made another revision of Mr. Dipre's statement of intention and said that Starwest "has no present intention of increasing its offer." The 120p offer values Gough Cooper at £9.4m in total. Gough Cooper shares closed at 123p yesterday.

Benlox talks with third party

Benlox Holdings, the building and contracting group, announced yesterday that it was engaged in talks which could result in a third party taking a substantial interest in the company. The shares responded with a 9p rise to a year's high of 42p, valuing the company at £983,000.

Park Place Investments, the training publishing and hire purchase concern, has a 19 per cent shareholding in the company and is represented on the Benlox Board by Mr. David Heynes the Park Place finance director. Mr. Heynes joined the Board last October along with Mr. Dennis Barkway, chairman of Energy Finance and General Trust, the financial services group, and Mr. Simon Wharmby. The Benlox directors control a further 14 per cent of the capital; and Newsam Investments has a 5.77 per cent stake.

The company reported group pre-tax profits up from £12,116 to £40,782 for the year ended February 28, 1980. At the time of the £0.2m rights issue last October the directors announced that the group was diversifying into DIY, garden and patio furniture and a new division had heen formed to promote this range.

The company said yesterday that the talks with the third party were at an early stage.

Asil Nadir named as Cornell's suitor

The man behind the mystery bid, or possible bid, for the loss-making Cornell Dresses of East London was revealed yesterday as Mr. Asil Nadir, who started the Wearwell clothing group and bought a controlling stake in fashion company Polly Peck earlier this year.

Mr. Nadir has an option until November 28 on 1.7m shares of Cornell, or 57 per cent of the total. These have been pledged to him at 19p by board members, family and trusts.

But the company's thinly traded shares continued to soar yesterday, adding a further 16p to 76p, giving it a market capitalisation of nearly £2.3m. This compares with the £570,000 which an offer from Mr. Nadir would cost.

It was last Friday that Cornell said Azania Investment (Jersey) was considering making or procuring the making of an offer for all the shares at 19p each. Cornell emphasised then, however, that Azania was not committed to making a bid at 19p or any other price.

Yesterday, Mr. Nadir said: "I personally will not be involved in Cornell at all." He declined, though, to elaborate on his plans for Cornell, in which ITC Pension Trust owns nearly 7 per cent and Midland Bank (Overseas) Nominees, which he said represented Spanish investors, nearly a tenth.

Cornell's brokers, Jacobson, Townsley, approached the Takeover Panel on Tuesday to see if Mr. Nadir's Cornell move breached any of its rules but was told it did not.

Pennine in £600,000 petrol stations deal

Pennine Commercial Holdings, the fast expanding property and motor distribution company, is adding a chain of 11 petrol stations to its growing list of acquisitions.

The petrol stations, currently trading under the Magnum name, are to be acquired from Link Garage Group for £600,000. This is to be satisfied by the issue of 5m ordinary shares (19 per cent of the enlarged Pennine equity).

The properties, based in the North West and Yorkshire, currently have a turnover of around £5m per annum. The value of the freehold and leasehold interests to be acquired is over £600,000.

The petrol stations will form a new division, Pennine Oil, which will immediately be augmented by a further site already in Pennine's ownership.

This latest share issue which brings to 14.4m the number of shares issued by ePnnine since the beginning of July) takes the group's capital up to £2.61m in 10p shares. The shares rose ½p to 14½p, the year's high, yesterday valuing the equity at £3.8m.

Complex deal to boost Provincial balance sheet

SHAREHOLDERS of Provincial (formerly Provincial Laundries) are to be asked to approve the purchase of their chairman's private interests and the placing of 5.5m shares with institutions to raise £2.2m.

If the complex transactions go through Provincial will be left with net tangible assets of £8.3m and borrowings of £2.3m, compared with borrowings of £2.6m on net assets of £3.55m at present, according to its advisers, Barclays Merchant Bank.

Under the proposals Provincial will issue 10.5m new shares, worth £4.7m based on 45p a share, to Mr. Michael Ashcroft, the chairman, in return for control of his private company, Ashcroft Holdings.

Ashcroft Holdings has three main assets — an 11.3 per cent stake in Pritchard Services Group, which has recently refused to give Mr. Ashcroft a seat on its board; 19.4 per cent (fully diluted) of Hawley Leisure, of which Mr. Ashcroft is chief executive; and 24.7 per cent of Provincial itself.

The market value of these investments is £6.83m but Ashcroft Holdings also has borrowings of £1.8m which Provincial would take over.

The shares Mr. Ashcroft would receive as the price for these investments would give him 32.3 per cent of Provincial compared with the 25 per cent he now owns. The Takeover Panel has waived the need for him to make a full bid for the company.

The next stage of the transaction would be for Provincial to sell the 5.5m shares in itself which comprise Mr. Ashcroft's current holding. The shares have already provisionally been placed with institutions at 40p per share — thereby raising total institutional holdings in Provincial to around 30 per cent.

The proceeds of the placing — £2.2m — would be used to reduce Provincial's gearing.

Mr. Ashcroft explained the transactions yesterday in terms of a tidying-up operation of his own interests and a strengthening of Provincial's balance sheet. The placing had been both cheaper and at a more attractive price than a rights issue, he said.

He also said that the deal would have advantages for Hawley, which would now have a strong publicly quoted shareholder committed to "maintaining" an interest of 20 per cent. This would prove "a strong support for Hawley in the next stage of its expansion should it wish to issue equity for acquisitions."

Mr. Ashcroft is to remain as chairman and chief executive of Hawley.

Mr. Ashcroft admitted he was still interested in St. George's Laundry, for which Provincial launched an unsuccessful bid last year. Provincial ended up with 16 per cent of St. George's which this week announced a restructuring of the majority shareholdings.

Mr. Ashcroft said he hoped to have "a chat" with the new directors of St. George's about "areas of compatibility."

The market barely reacted to the proposals. Hawley Leisure's shares rose 1½p to 49½p, Pritchard's by ½p to 90p and St. George's end Provincial's remained unchanged at 66p and 45p respectively.

Mr. Nassar lifts Bisichi holding

Mr. Edward Nassar, the financier, and his associates have lifted their stake in Bisichi Tin from 7.7 per cent to 11.4 per cent. This follows an increase in the shares held from 504,500 to 744,500. London and Associated Investment Trust is a major shareholder in the company with 2,469,220 shares—equal to 37.8 per cent.

Mr. Nassar also announces an interest of 317,000 shares in Ex-Lands. This represents a holding of 7.11 per cent. Major holders in this company are Kwahu Company with a 26.25 per cent stake and Western Selection and Development with 16.93 per cent.

Both Bisichi and Ex-Lands are former Nigerian tin mining companies. Bisichi's income is now derived from trading in metals and minerals while Ex-Lands is an investment trust with its income arising from dividends and interest.

STROUD RILEY

Mr. Harvey Ross, the Yorkshire gold investment and coin dealer, has increased his stake in Stroud Riley Drummond, the Bradford textile group, from 16.5 per cent to 17.6 per cent. Mr. Ross has bought a further 40,000 shares taking his holding up to 621,438 shares.

Mr. Stefan Simmonds, a Bradford businessman and managing director of Stroud Riley, holds 29.7 per cent of the Stroud capital through his privately owned Simco Supermarkets.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	360	17	82	38	—	54	—	361p
BP	390	5	201	20	21	—	—	"
BP	420	1½	5	—	—	—	—	"
Com. Union	140	39	32	43	10	48	—	178p
Com. Union	160	19	40	25	6	32	—	"
Com. Union	180	7	—	15	60	21	—	"
Cons. Gold	460	123	6	133	6	—	—	575p
Cons. Gold	550	146	2	73	—	95	—	"
Cons. Gold	600	21	58	47	61	—	—	"
Courtaulds	60	6½	1	10½	—	12½	15	61p
Courtaulds	80	1½	—	3	50	—	—	"
GEC	390	145	2	165	—	—	—	535p
GEC	460	70	3	102	38	122	—	"
GEC	500	42	89	70	5	92	—	"
GEC	560	14	69	39	30	60	10	"
Grand Met.	120	41	4	47	—	—	—	169p
Grand Met.	130	31	2	38	—	—	—	"
Grand Met.	140	26	—	50	1	34	—	"
Grand Met.	160	7½	32	18	6	22	4	"
Grand Met.	180	1½	—	8	5	13	0	"
ICI	360	15	3	33	—	40	—	371p
ICI	390	4½	6	18	—	20	—	"
ICI	420	1½	10	—	—	—	—	"
Land Secs.	323	70	4	91	—	—	—	394p
Land Secs.	353	60	85	66	31	—	—	"
Land Secs.	390	16	67	40	—	56	2	"
Marks & Sp.	80	29½	2	32	—	—	—	109p
Marks & Sp.	90	18½	35	23	2	28½	—	"
Marks & Sp.	100	10½	23	10½	2	21	5	"
Marks & Sp.	110	5	42	10½	55	13	5	"
Shell	390	30	10	48	—	60	—	413p
Shell	420	19	15	36	22	42	—	"
Shell	460	7	—	21	13	28	—	"
Totals			870		410		47	

Option	Ex'rcise price	November Closing offer	November Vol.	February Closing offer	February Vol.	May Closing offer	May Vol.	Equity close
Imperial Gp.	80	9	24	14	—	15	5	86p
Imperial Gp.	20	4	—	8	—	8	20	"
Lonrho	74	31	—	34	1	—	—	101p
Lonrho	94	13½	79	20	1	—	—	"
Lonrho	100	—	—	—	—	20	4	"
Lonrho	104	8	19	14½	50	—	—	"
Lonrho	114	4½	77	0	6	—	—	"
P. & O.	110	10½	—	18	3	—	—	125p
P. & O.	120	11½	2	12	1	—	—	"
P. & O.	130	5	25	8	2	15	—	"
P. & O.	140	2	10	5	2	10	8	"
Racal Elec.	280	68	2	81	—	93	—	334p
Racal Elec.	300	31	1	66	45	79	—	"
Racal Elec.	330	28	19	45	—	51	—	"
RTZ	460	45	1	70	—	85	—	478p
RTZ	500	24	4a	48	—	62	1	"
Totals			301		121		35	

MINING NEWS

Minorco boosts profits and pays 16c final

BY KENNETH MARSTON, MINING EDITOR

SHARPLY increased revenue for the year to June 30 is repotred by the Anglo American Corporation group's Bermuda-registered natural resources investment concern, Minerals and Resources Corporation (Minorco).

Net earnings have climbed to US$114.8m (£47.7m) from $34.4m in the previous year. In line with expectations the final dividend is lifted to 16 cents (6.6p), making a total of 20 cents against 12 cents for 1978-79.

As part of last year's restructuring of Charter Consolidated the latter gave to its shareholders part of its holding in Minorco on a one-for-four basis. Charter also offered to buy the Minorco shares back at the time for the equivalent of about 221p.

Those Charter holders who decided to keep their Minorco shares made the right decision because the price yesterday rose 30p to 455p. Charter still has a holding of 14.7 per cent in Minorco which, under the restructuring scheme, acquired Charter's 10 per cent holding in Anglo American Investment Trust (diamonds).

Minorco's major investment is a stake of 28.4 per cent in the U.S. Engelhard Minerals and Chemicals Corporation. Other investments include a 49.9 per cent holding in Zambia Copper Investments which, in turn, hold just under 40 per cent in the Zambian Nchanga Consolidated Copper Mines and 9.8 per cent in Roan Consolidated Mines.

Zambia Copper Investments is returning to the dividend list with a payment of 5 cents. It reports a loss of $1.79m, compared with a loss of $1.81m a year ago, but this is after writing off loans of $5.37m to Botswana RST; ZCI and Minorco have since been relieved of their obligations to the Botswana project.

Rangers' A$57m flotation

THE VEHICLE formed to devlop the Ranger uranium deposit in Australia's Northern Territory, Energy Resources of Australia (ERA), plans to offer 57.5m shares to the Australian public at 100 cents (48.8p) a share.

It will be the largest flotation in Australia, although there have been bigger equity raisings by major groups, such as the steel and oil giant Broken Hill Proprietary, reports James Forth from Sydney.

ERA will have a paid capital of A$410m (£200m) in A$1 shares, with the Ranger discoverers, Peko-Wallsend and EZ Industries each holding 30.5 per cent of the capital. Three West German groups and four Japanese groups will hold 25 per cent, and the public will own the remaining 14 per cent.

Ranger is on schedule to start uranium production in October 1981 and expects to pay a modest dividend for the period to June 1982 and 10 cents a share for the year to June 1983.

To comply with the Australian Government's wish for the widest possible Australian participation in Ranger the shares in the ERA float will be restricted to shareholders with an address in Australia. Underwriters to the issue are Australian sharebrokers, Ord Minnett, Potter Partners, J. B. Were and Son and Meares and Philips.

ERA has agreed to distribute at least 35 per cent of its after-tax profits for the year to June 1982 and at least 75 per cent for subsequent years. This would indicate a profit of A$45m, or 13.3 cents a share.

When the Ranger project has developed a satisfactory cash flow and reduced some of its project loans the company will explore for other possible energy and mineral resource developments in Australia, including uranium and possibly oil and natural gas.

ERA has already negotiated project loans of A$337m of which A$216m is to be provided by a consortium of Australian and overseas banks and A$121m from Japan Australian Uranium Resources Development, owned by three Japanese utilities and the trading house, C. Itoh.

The capital cost of the Ranger project is estimated at A$380m. The overall price tag is A$570m, of which the Australian Government will receive A$125m for the sale to ERA of its 50 per cent stake, and the Government-owned Australian Atomic Energy Commission A$119m, representing its project costs.

Peko and EZ will each receive A$163m for the sale of their 25 per cent stakes in Ranger. The higher price paid for the companies' interests reflects their more favourable position in terms of financing and operating costs. The Government was committed to put up 72.5 per cent of the finance for only 50 per cent of the output.

The prospectus will draw attention to the Australian Labor Party's stated policy that it would repudiate any commitment of a non-Labor government relating to mining, processing or export of Australian uranium.

But the ERA directors apparently believe it is unlikely that any future Australian government would prevent the continuing operations of ERA and that any move against the company could do immeasurable damage to Australia's international standing and credit.

Peko and EZ said that, contrary to expectations, their shareholders would not receive a specific entitlement to ERA shares.

Peko also announced what appears likely to be a small, but rich, gold orebody near its existing workings at Tennant Creek in the Northern Territory. Assays as high as 56 grammes gold to the tonne over a 16 metre section were reported. The orebody contains 200,000 tonnes averaging 18 grammes gold per tonne. The gold grades are generally supported by silver at about 12 grammes to the tonne. Peko is considering sinking a shaft to facilitate exploration at depth.

CASH OFFER FOR TANJONG TIN

Tien IK Enterprises (TIE) bought a further 292,000 Tanjong shares on September 10 at 120p a share from the Pahang Consolidated company. TIE now owns 677,000 Tanjong shares (45.54 per cent) and will now offer all Tanjong shareholders 120p cash per share to acquire the remaining 809,668 shares. The shares were 118p in London yesterday.

UK COMPANY NEWS

Danae Inv. board wins time

Danae Investment Trust, a small split capital investment trust, managed to keep its board intact at yesterday's annual meeting, sidesteping a motion by dissident shareholders to replace two directors by adjourninig the proceedings until October 7.

By this time, however, both sides may have reached agreement on additions to the board and on future capital and investment policy during talks due to start next week.

On a show of handa, the two directors, Mr. Shephen Cockburn and Mr. John Ridgers, were narrowly re-elected. But Mr. Gerald Bowyer-Tagg, a partner in stockbrokers Norman Collins, requested a poll and the meeting was adjourned until next month.

Together with Marlin Management Company, which is privately owned, Norman Collins wanted the two directors replaced because of dissatisfaction with the performance of the trust, which is divided into income and capital shares. In the financial year to May 31, the portfolio fell by 11½ per cent; es a result of the trust's gearging, aset valne dropped 15¼ per cent.

They wanted the directors replaced by Mr. Bowyer-Tagg and Mr. Brendan Gilliat-Smith of Marlin. Mr. Bowyer-Tagg was in fact invited on to the board on Tuesday, but declined because the other directors would have stayed on and the invitation was not extended to Mr. Gilliat-Smith.

Marlin and Norman Collins represent some 30 per cent of the voting shares. Their dissatisfaction stems from what they see as the over-reliance on a drop from present high interest rates to produce improved growth and the slowness in switching more investment into equities from fixed interest stocks.

The solution now being songht between the two sides would probably lead to additions to the board along with the issne of moer shares, the par value having initially been reduced, so as to facilitate a qnicker move into equities. Mr. Cockburn said it was really a question of timing, waiting until interest rates drop and capital valnes rise.

He said the adjournment provided a breathing space; some institutional bolders of income shares would have been left ont if a poll had been held yesterday due to the speed with which events had moved.

Midway rise for Banro

Pre-tax profits of Banro Consolidated Industries improved from £552,982 to £601,083 in the half year to June 30, 1980 and the directors feel the final result is likely to be satisfactory.

The interim dividend is held at 0.575p net—the total last year was 3p from pre-tax profits of £1.16m.

Principal activities of the group include framed windows, sections, pressings, motor car body components, continnous metal plating and electroplating applications for industry.

M&S reduces Canadian loss

DESPITE SALES of Marks and Spencer Canada Inc. rising by over 18 per cent during the 28 weeks to July 31, 1980, from C$71.44m to C$84.44m, the group still incurred a loss for the period of C$2.63m, compared with a los of C$3.79m for the correspouding period.

The group's three stores all increased their turnover figures for the period—Marks and Spencer by 23.7 per cent from $28.43m to $35.16m; Peoples by 14.3 per cent to $32.17m ($28.13m); and d'Alleid'a by 15.1 per cent to $17.11m ($14.86m).

But Marks and Spencer apart, whose loss was reduced from $6.76m to $5.22m, the other two stores' earnings fall back—Peoples from $1.14m to $884,000 and d'Allaird's from $1.84m to $1.7m.

Ther was a loss per Common share of 55 cents (79 cents) and the welgbted average nnmber of Common shares outstanding was 4,829,638 (4,783,892).

The interim dividend is five cents.

HAY'S WHARF

The Board of the Proprietors of Hay's Wharf has resolved to redeem all of the outstanding 9½ per cent unsecured loan stock 1979-82 on December 31, 1980, at par plus accrued interest in accordance with the provisions of the trust deed.

Tilling £1.3m ahead so far

AFTER a sharp deterioration in business conditions in the UK during the second quarter, Thomas Tilling, industrial holding company, turned in pre-tax profits of £30.1m for the first half of 1980, £1.3m higher than for the corresponding period last year.

Trading performance in the first three months provided a good start to the year, says Sir Robert Taylor, chairman, but orders and sales fell below expectations in the second quarter as the effects of the recession were experienced in most trade sectors. In the U.S., however, trading in general remained good, he adds.

The directors are deferring payment of the interim dividend until January 2, 1981, which they say should reduce the tax charge for the current year. The dividend is increased from 3p to 3.5p net to compensate shareholders for the delay. In 1979, a total of 7p was paid from pre-tax profits of £81.1m.

Group sales in the first six months rose by £184m to £814.1m. The profit is struck after interest charges up from £9.6m to £14.1m, but before tax of £6m (£5m).

There is en extraordinary credil this time of £0.8m (£1.1m debit) and after minorities' profits of £0.2m (£0.1m) the available surplus is ahead at £24.5m (£22.6m). Dividends absorb £9.4m (£8m), including £0.3m for preference holders.

Earnings per 20p share are shown as 9.1p (10.8p) no capital increased by the issue of shares in satisfaction of acquisitions.

Since the beginning of the year, the group has acquired Glasco Electric Company of St. Louis, Missouri and Electric Supplies Distribution Company of San Diego, California in the industrial equipment distribution sector, and Badger Northland, of Kaukauna, Wisconsin in the engineering sector. Other, smaller acquisitions in the UK and U.S. have strengthened the builders merchanting, construction materials and services, engineering, medical supplies and publishing sectors, say the directors.

These acquisitions cost a total of £32.3m, satisfied by the issue of 1,397,000 Tilling ordinary shares and the balance in cash, financed largely by medium term dollar loans.

Based on their latest annual accounts, the total net tangible assets of the acquisitions amounted to approximately £25.2m and their aggregate profits before tax £4.3m.

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Allen Harvey and Ross, Bridon, Hopworth Ceramic, Highcroft Investment Trust, Lyon and Lyon, Magnolia (Mouldings), Prudential Corporation, Rosedimond Investment Trust, Schroders, Sedgwick, George Spencer, Turner and Newall, United Biscuits.

Finals—Coronation Syndicate, Guinness Peat, Harmony Gold Mining, Maynards, Tweefontein United Collieries.

FUTURE DATES

Interims—

Alva Investment Trust	Sept. 24
Baird (William)	Sept. 18
Barlow Holdings	Sept. 25
Beatson Clark	Sept. 22
Bunzl Pulp and Paper	Sept. 30
Dewhurst Brothers	Sept. 19
Edinburgh Investment Trust	Oct. 13
Expanded Metal	Sept. 17
Hoskins and Horton	Sept. 25
I.O.C.	Sept. 12
Legal and General	Sept. 17
Philcom	Sept. 17
Richards and Wallington Inds.	Sept. 15
Rowntree Mackintosh	Sept. 18
Rawton Hotels	Sept. 12
Tricentrol	Sept. 17
United Newspapers	Sept. 23
Watts Blake Bearne	Sept. 18

Finals—

Australian and Internml. Tst.	Sept. 17
Dalgety	Sept. 17
Epicure	Sept. 17
Galliford Brindley	Sept. 25
M.T.D. (Mangula)	Oct. 22

Portals first-half profit up 10%

PROFITS BEFORE tax of Portals Holdings rose 10 per cent from £4.51m to £4.98m in the first six months of 1980 and the interim dividend is being lifted from 4.25p to 4.75p. The total last year was 11p from pre-tax profits of £11m.

The markets for the group's paper products, other than lightweight papers, have been quiet buoyant during the first balf so the group has been producing to near full capacity duriog this period.

Most of the companies in the water treatment and engineering division are finding it increasiogly difficult to avoid the worst effects of the recession but the position overseas is less worrying.

Earnings in the first half are stated as 13.23p (11.97p).

The directors feel the results are satisfactory in a difficult year and say the performance in the market place during the first six months gives a similar start to the second half.

The obtaining of orders is the main concern at the present time but, with so many companies in the same position, pressure on margins is inevitable, the Board says.

The group's liquidity, taking into account cash and aveilable resources, is sufficient for present trading and planned growth.

	Six months 1980 £000	1979 £000
Turnover—		
Papermaking	15,889	13,025
Water treatment and engineering	46,570	32,740
Property	579	511
Intergroup sales and rents	2,466	2,151
Total	60,352	44,125
Trading profit—		
Papermaking	3,010	2,478
Water treatment and engineering	2,082	2,011
Property	367	339
Unallocated costs and interest	484	319
Profit before tax	4,975	4,509
Tax	2,552	2,345
Net profit	2,423	2,164

The patern of profit earning in the property division will follow 1979 because the first half of the year shows a small increase in rental income and the second half will include the results from a successful property development. The final overall figures are expected to be in line with those for last year.

● comment

Portals has produced a 10 per cent gain in pre-tax profits despite very little growth in the contribution from the water treatment and engineering division. The papermaking side is booming, improving its sales and its margins. Portals is benefiting more than expected from increasing competition in the worldwide travellers cheque business and this has led to the decision to build a $15m security paper mill in the U.S. The outlook for the rest of the year is mixed but water treatment should do a little better as the distortion of advanced invoicing works out and the tax charge will be lower. The group's pre-tax profit could end up 12 per cent higher at £12.3m. The thinly traded shares jumped 20p to 400p yesterday where the prospective p/e fully taxed is a much improved 12.3 and the yield is 4.4 per cent.

Leyland Paint falls into loss

DESPITE TURNOVER rising from £17.11m to £19.5m Leyland Paint and Wallpaper incurred a pre-tax loss of £296,000 in the first half of 1980, compared with a profit of £582,000 for the corresponding period last time.

The sharp deterioration into the red is after exceptional items totalling some £210,000. Of this, £127,000 relates to the departure of Mr. Bryan Jones, the former managing director.

Mr. Jones, a member of the founding family, left in June following the "Board's loss of confidence in his management style", according to Mr. Peter Simmonds, the chairman, who took over the executive role on Mr. Jones' departure.

Mr. Jones has been paid compensation of £57,000—there was a further 6½ years to run on his contract—and £70,000 of pension rights brought forward. The balance of the exceptional items reletes to redundancies.

On a CCA basis, the loss for the six months is shown as £1.04m and the Board has decided to defer any decision with regard to the payment of a dividend until the results for the full year are available. Last year an interim of 1p net was paid, followed by a final of 2p from annual profits of £1.68m.

The loss was struck after higber interest payments of £477,000 (£200,000) but there was no tax charge this time compared with £303,000 for the corresponding six months. Stated earnings per 25p share are nil (1.8p) and last time's attributable profit of £285,000 bas heen redneced to a losa of £287,000.

The chairman says that further corrective action has been taken since the half-year end—resulting in additional redundancies and short-time working.

Although it would be unrealistic to expect a significant improvement in trading during the remainder of the year, he says, the Board anticipates, taking into account exceptional items, that there will be a return to profitability in the second half of the year.

Mr. Simmonds states that while there were clear signs at the end of the first quarter that destocking by merchants and retailers was proceeding, the sevarity of the subsequent deterioration in trading conditions in the UK and in Europe, which still continues, was not anticipated.

● comment

Leyland Paint is another example of the slippery slope that the DIY sector has hit. Paint volume was down 11 per cent on the comparable period and wallcovering was 4 per cent lower. Overcapacity has hit both sectors but wallcovering has caused the greatest problems due to the amount of relatively cheaply priced paper on the market. Though the company says that its retail interests are having a reasonable time, DIY retailers as a whole are going through a very difficult period and it is hard to see Leyland's interests materially bucking the trend. Some 35 per cent of its manufacturing output goes to its own retail outlets—all the ships' paint and around 15 per cent of their wallpaper supplies. Further slimming down of the workforce is at band and Leyland is obviously trying to cut back but the second half is unlikely to hold anything exciting in store, though the company is evidently trading profitably again after a disastrous second quarter. At 28p Leyland is capitalised at £4.4m. Bid speculation of the past has dwindled but the price may hold on hopes of the new management breathing some life into the p and l account.

Biddle improves midterm

ALTHOUGH first-half taxable revenue of Biddle Holdings increased from £678,000 to £722,000, directors say the level of profit in the second half is likely to be more affected by the recession.

Turnover for the manufacturer and installer of heating and air conditioning and lifts rose to £8.35m for the half year to June 30, 1980, compared with £7.47m.

The tax charge was £375,000 (£352,000), and the interim dividend is held at 2.4p net per 25p share. Last year, a total dividend of 8.6p was paid from pre-tax profits of £1.48m. Members of the Biddle family have waived their dividends totalling £31,116 (£17,625).

Profit of F. H. Biddle was good with a very satisfactory contribution from the continental group of subsidiaries, the directors report. However, they add that Mumford Bailey and Preston, the heating and air conditioning contracting company, had a difficult half year which produced an operating loss for the period. Bennie Lifts had a good half year.

F & C EUROTRUST

Pre-tax income of F and C Eurotrust rose to £235,218 for the year to June 30, 1980, compared with £175,914. The tax charge was £112,780, against £84,695 last time.

Stated earnings per 25p share were better at 1.63p (1.22p), and the net asset value rose from 61.1p to 63.8p per share. The single annual dividend is raised from 1.2p to 1.45p net.

Lead Industries holds interim

MAINTAINED profits of £8.8m are reported by Lead Industries Group for the first half of 1980 and the directors are declaring an unchanged interim dividend of 3.7p.

However, they say increased costs, exchange rates and interest rates will affect the year's results and demand must improve before 1979 levels of profit can be achieved.

Last year the group reported a pre-tax profit of £20.3m and paid e total dividend of 9.66p.

Sales in the first half increased from £189.5m to £321.1m including £65.3m (£58.8m) from associates. Profits are after interest of £4m (£1.8m), historical depreciation, £2.5m (£1.7m) and £3m (£2.4m) additional depreciation on current values. Included also is £4.4m (£3.8m) from associates.

After historical depreciation, stated earninga per share are 16.1p (15.3p) and 9p (10p) after depreciation on current values.

Profits on e CCA basis are down to £2.1m compared with £4.6m, in the same pariod last year.

The board states many customers, particularly in the UK and U.S., have significantly reduced their production. The group bas no immunity from this recession and is reacting accordingly.

Lower requirements from many of the industries which are supplied by subsidiaries and associates have necessitated lower production and, unfortunately lower employment at a number of group companies.

Further UK reductions would be necessary if exports were not beiog continued although making little profit contribution at current exchange rates and relatively bigh energy costs.

To companies operating from the UK and dependent on e high proportion of exports, such as Tioxide and Anzon, some downturn seems inevitable, the directors state.

● comment

Lower lead prices have contributed to a squeeze on margins businesses of Lead Industries, not helped by e decline in volume. However, a better performance in paints, due to strength in Europe, together with the contribution from acquisitions in the U.S., bas pushed up trading profits 23½ per cent after current cost depreciation. After higher financing caused by acquisitions pre-tax profits are unchanged. But in the second half there may be quite e sharp from the associete Tioxide Group, which may bring overall pre-tax profits down to about £17m for the full year, against £20.3m. At 160p yesterday the prospective p/e is ebout 6, fully taxed and after historic depreclation. The historic yield is nearly 9 per cent.

Cosalt closures after £0.6m fall halfway

A SUDDEN severe downturn in trading during the second quarter has left Cosalt with sharply reduced pre-tax profits of £531,000 for the first six months of 1980, compared with £1.13m last time.

The recession did not begin to affect the gronp until mid-May, say the directors, and the results for the first quarter showed an improvement on those for the corresponding period last year. But the downturn, when it came, sharply reduced second-quarter profits and has affected group prospects for the halance of the year. At the outset of the year, the directors had forecast an increase over the 1979 taxabla surplus of £1.71m.

They now say they expect a difficult winter period. Since July, there have been redundancies and short-time working in all factories, and production has been curtailed because high interest rates and general uncertainty are continuing to hold down demand.

Two of the group's factories have been closed. The lease of one of the three factories of W. and J. Knox in Scotland has been surrendered without penalty and its machinery haa been rehoused in the other two. Terms for the sale of one of the two caravan factories in Gloucestershire have been agreed for £155,000—a little over hook value. The costa relating to these closures have been absorhed into the first-half results, say the directors.

Turnover of the group, whose other activities include ships' chandlery, the manufacture of fishing gear, diatrihution of refrigeration and air-conditioning and finance, smounted to £18.16m (£18.24m)—last year's figure including discontinued businesses' sales of £310,000.

The surplus was struck after charges including interest of £698,000 (£500,000). Tax takes £214,000 (£586,000) and the attributable profit is £294,000 (£542,000).

Earnings per 25p share are shown down from 5.09p to 2.79p but the interim dividend is held at 1.5p—last year's final was 2p.

The directors state that their objective of reducing borrowings during the year is being achieved and his continues to be a major parl of group policy in the extremely difficult trading conditions.

● comment

Cosalt's more than halved profits can be traced to especially difficult times in May and June. Like its competitor Black end Edgington, who reported a fiasco in the caravan business last week, Cosalt has also been hit by overcapacity and a slump in demand. But a sacrifice on margins and special dealer discounts enabled Cosalt to hold the caravan profits fall to 28 per cent. The ships' chandlery business was mora severely rattled as Costalt forfeited around £150,000 of carpet-related earnings and succumbed to tough times in the world fishing industry. The strong pound was another menace and reduced group exports by £1m. But the group has taken measures since last year to tighten its belt. Last year the Air Wales and mirror divisions were discontioued and since June two factories have been closed down. Borrowings have come down to £6m from £6.6m at year-end, but capital gearing is still an uncomfortable 75 per cent. Meanwhile, income gearing is also on the high side at 57 per cent. In the second half the going will probably get tougher and full-year earnings of as little ea £750,000 before taxes are possible. This suggests a p/e of 10.5 at 31p. The yield, on a maintained total, could be nearly 17 per cent, reflecting considerable markat doubts about an early recovery.

Limits put on banks' incentive awards

By Our New York Staff

U.S. BANKS are to be restricted but not prevented from continuing to indulge in their latest and widespread sales gimmick of offering gifts to people who open new accounts.

In what is being seen as evidence of a moderate approach by federal bank regulators, banks will no longer be able to offer "finder" fees to individuals who introduce a new depositor to a bank, but other lures ranging from food blenders to holidays in Europe for new account holders will continue to be legal.

There had been strong pressure from the banks who have created the cascade of gifts, which has turned many bank lobbies into something resembling a green shield stamp gift redemption shop, that the regulators save the banks from themselves by banning gift giving.

The practice has proved expensive and difficult to control as rival banks, especially in the New York area, stepped up their advertising campaigns with ever-more attractive offers.

Although one bank, the New York Savings Bank, said it was attracting 1,000 new accounts a week through its promotions earlier this summer, there has been a general eagerness for a truce.

The deregulators have decided, however, only to ban gifts of either cash or goods to individuals who introduce a friend to the bank. Steps will also be taken to more accurately assess the real costs of giving goods to new customers in order to more firmly apply the existing value limits on such gifts.

The deregulators have also made some decisions on interest rate ceilings, the most important of which is to permit banks and savings institutions to pay up to 5¼ per cent on current accounts—known in the U.S. as NOW (Negotiated Order of Withdrawal) accounts.

But the committee decided to keep intact existing ceilings on ordinary savings accounts. They had been urged to lift these limits by proponents of a more rapid move towards deregulation of interest rates.

Bache ends hectic year with doubled earnings

BY IAN HARGREAVES IN NEW YORK

BACHE, the Wall Street securities firm which found itself at the centre of the spring crisis in the U.S. silver market, yesterday reported almost doubled net profits for its latest fiscal year.

The company earned $26.7m compared with $13.5m in the previous year on revenues which were 44 per cent higher at $621m. The surge in earnings, which created a company record for the second year in succession, arose from the hectic pace of trading in bonds, stocks and precious metals on Wall Street during the year.

Although Bache acknowledged that it had suffered an unusually high level of losses in the year on uncollected accounts because of this turmoil, the benefits greatly outweighed the losses.

The reference to bad debts, on which a figure was not placed, had no connection with the silver market fiasco involving the Hunt family, a major Bache stockholder and at one time a major customer. Bache maintains that it lost no money as a result of the Hunt affair.

Mr. Harry Jacobs, Bache's chairman, also attempted yesterday to squash another vein of criticism against his firm by releasing figures about account executives' productivity, which in recent years has been among the lowest in terms of profits per salesperson among the major Wall Street firms.

Mr. Jacobs said that in the three years to 1979, Bache executives' productivity had advanced by 40 per cent, against an average improvement for the industry of 24 per cent.

Bache reported strong growth in all sections of its business, but Mr. Jacobs forecast that in the next five years areas of activity such as insurance broking, not traditional to the company, would play an increasing part in Bache's growth.

In the fourth quarter Bache earned $6.5m on revenues of $120m in the same quarter a year ago.

Paine Webber, another Wall Street firm which has had its problems recently, has announced a revamping of management on its securities brokerage operations in an attempt to streamline procedures and eliminate the mess which caused heavy losses in its second quarter.

Mr. Donald Marron, who took over as the firm's chief operating officer in June, will replace the present head of the brokerage unit and run it with the help of an executive committee.

Corco reveals new rescue plan

BY PAUL BETTS IN NEW YORK

COMMONWEALTH OIL Refining Corporation (Corco), the troubled Texas oil group on the verge of financial collapse, has drawn up a new financial salvage plan in a last-ditch attempt to rescue the group from threatened liquidation.

The group's collapse, with about $450m in outstanding debts, would be one of the biggest failures in the oil industry.

In contrast to earlier salvage attempts, when the oil refiner and petrochemical producer sought a takeover by another company, the latest plan does not envisage any outside investment, according to Mr. Howard Hardesty, the group's chief executive.

The new plan proposes settlement of creditors' claims for about $124m in cash, $88.2m in secured debt, an estimated $86.8m in new Corco 10.5 per cent subordinated debentures and some $148.4m in shares of Corco common stock at $6 a share, or 24.7m additional shares of common stock.

Under the plan, present shareholders of Corco 4.25 per cent debentures would receive new Corco subordinated debentures in principal and accrued interest on their existing debentures. Dividends in arrears of Corco series A and B preferred stocks would not be paid, but would remain in arrears following Corco's emergence from its present bankruptcy proceedings.

Growth at Weeks Petroleum

BY JOHN MAKINSON

WEEKS PETROLEUM, the Bermuda-based resources company, has increased its net income from U.S.$1.92m to $4.56m in the first half of this year. Weeks derives its profits primarily from a royalty interest in Australia's Bass Strait and has recently taken a 25 per cent stake in Ogle Resources Inc. (ORI), of the U.S. through an exchange of assets and stock. ORI has extensive interests in U.S. oil, gas and mineral properties.

Weeks' revenue in the first six months of this year amounted to $10.46m compared with $6.7m in the same period of 1979. Interest charges fell slightly to $566,000 from $652,000. The increase in revenues was struck despite an industrial dispute which temporarily reduced oil production from the Bass Strait.

The company is expecting a further significant increase in revenue over the second half though profits are not forecast to rise as fast as in the first six months despite the implementation of a new oil pricing agreement with the Australian Government.

Weeks is applying for licences to six blocks in the current Seventh Round of North Sea oil licensing. Two of the blocks are in the Channel area and the remainder in the Moray Firth.

After the current transaction with Weeks, ORI will have net assets of around $200m and may seek new capital early next year, in connection with a listing of between 10 per cent and 15 per cent of its shares on the New York Stock Exchange.

Coca Cola forecasts fall in third quarter

By Our New York Staff

COCA COLA, the world's largest soft drink company which has recently undergone a top-management shake-up, said yesterday that it expected to report lower-than-expected third-quarter profits because of "disappointing" foreign sales this summer.

This took Wall Street analysts by surprise. One said the drop in foreign sales, caused by the cold, damp summer in Japan and western Europe—two of Coca Cola's biggest foreign markets—had apparently not been offset by the beneficial effects on domestic sales by the hot U.S. summer.

Coca Cola said its third-quarter profits were now likely to be lower than the $12.9m the company earned in the third quarter last year.

Mr. John Cowlings, the company's chief financial officer, added that the company would probably fall short of its earlier target for 1980 of at least a 10 per cent increase in operating profits and a 5 per cent rise in net earnings.

Last year Coca Cola reported profits of $420.1m, but increased interest expenses and an unusually low tax rate in the second half of last year would be translated in lower income gains for the company this year, according to Mr. Cowlings.

While retail sales in the U.S. of soft drinks had been "relatively strong" this summer, sales in several markets had been disappointing, the company said.

As a result of the hot U.S. summer, domestic sales were higher than the moderate domestic sales advances in the first half of this year. But sales in Japan had dropped sharply because of the cold weather and the economic slowdown.

In Mexico, sales declined because of an eight-week Mexico City bottler strike, while in western Europe sales suffered as a result of the bad summer.

Dow buys Italian group

By Sue Cameron, Chemicals Correspondent

DOW CHEMICAL has bought an Italian-based pharmaceutical group, Archifar, for an undisclosed sum. Dow said the acquisition marked the first step in its declared policy of broadening its drugs range.

Archifar, which is jointly owned by Farmitalia Carlo Erba and Anic, has annual sales of $30m. The company, which produces bulk antibiotics, has been bought by Dow's European pharmaceutical subsidiary, Gruppo Lepitit.

Heinz optimistic

Earnings for the first quarter at H. J. Heinz, the tinned and frozen food group, show a fall from $44.8m or $1.97 a share to $38.1m or $1.65 a share, but the 1979 total includes an 87 cents UK tax credit, reports our Financial Staff. Sales increased from $657.1m to $826.9m, helped by both U.S. and overseas operations, and the board regards prospects for the rest of this year as "encouraging."

Loss at Ideal Toy

Ideal Toy has plunged into a loss of $1.8m or 46 cents a share for the second quarter, compared with a profit of $512,000 or 13 cents a share a year ago. For the half year, the group now shows a loss of $1.7m or 44 cents a share, against a profit of $1.1m or 30 cents a share. Sales slipped from $32.8m to $25.2m in the second quarter, bringing a first half total of $46.9m, against $58.5m.

Toronto Exchange plan

The Toronto Stock Exchange plans to move to a new building which will more than triple the size of its trading floor, reports Robert Gibbens from Montreal. The Exchange agreed with Olympia and York Developments to rent the second tower of First Canadian Place at King and York Streets in the heart of the financial district of Toronto. Olympia and York, owned by the Reichman family, is Canada's second largest property group and recently acquired English Property of the UK.

General Cinema steady

General Cinema has earned a net $10.8m or 98 cents a share for the third quarter, against $10.4m or 95 cents a share. Sales increased from $183.3m to $218m. For the nine months, net earnings were $22.4m or $2.04 a share against $23.5m or $2.15 a share on sales of $555.2m against $486.6m. The 1979 figures are after charges for discontinued operations.

Dividend raised

Quaker Oats' directors have voted to increase the quarterly dividend from 35 cents to 40 cents a share, payable October 15, to shareholders of record on September 22, Reuter reports from Chicago.

Yield offered on Swedish bond spurs strong demand

BY FRANCIS GHILES

THE $150m five-year fixed interest rate bond for the Kingdom of Sweden was priced at 99¾ to yield 12.44 per cent by the lead manager S. G. Warburg last night after the coupon had been fixed at 12⅜ per cent. The notes were offered last week on a yield basis, the lead manager indicating a yield range between 12.30 and 12.40 per cent.

The pricing of this issue no doubt explains why the issue has been oversubscribed. Elsewhere in the market prices of straight dollar bonds posted gains of about ⅛ of a point on the day with a number of dealers reporting small amounts of new money being committed to the market by investors.

Meanwhile, approximately $72m nominal of the total $100m of the maturing 9 per cent EIB notes due on September 15 have been presented for conversion, to UBS (Securities), which offered 12⅜ per cent EIB notes in exchange. This amount of conversion means that the total commission spread paid by the borrower was 1.72 per cent, less than the EIB would have otherwise have paid in commissions on a traditional public Eurodollar bond issue, according to the lead manager.

UBS (Securities) also claimed that "the EIB was able to take advantage of specific demand by end buyers rather than distribute its issue to the intermediaries of the international capital market as is normally the case."

The lead manager has acquired the balance of $28m nominal of the issue at par and is offering the notes at a discount of ⅜ per cent, "subject to availability."

In the floating rate note sector, a $25m six year issue is being arranged for Banca Serfin, the third largest private sector bank in Mexico, by Credit Suisse First Boston. The borrower is paying an interest rate of ⅞ per cent above the six month interbank rate with a minimum coupon of 7¼ per cent. A purchase fund, if fully used, could reduce the average life of this issue to 5.2 years.

The DM 150m 12-year public issue for the Republic of Austria which was launched on Tuesday night appears to be meeting with a fair reception in the D-Mark foreign bond market, where prices were unchanged at the close of business yesterday. Such is not the case with the recent 9¾ per cent bond to 1988 for Nuclebras of Brazil, which is being quoted at a discount of 2½ to 3 points from its issue price of par. Investors appear reluctant to buy Brazilian paper, even when it offers a substantially higher return than other D-Mark paper.

In the Swiss franc foreign bond market prices of seasoned issues posted losses of about ⅛ of a point yesterday. One issue, which started trading yesterday, the Copenhagen Telephone 1990 bond, posted a fall of nearly three points from its issue price of 99. It was a major casualty of what some Swiss bankers describe as an investor's strike and perhaps of the too frequent appearance of Danish names for the liking of some in this sector. This issue, managed by Swiss Bank Corporation, is believed to have only been 50 per cent subscribed.

A SwFr 20m private placement of convertible bonds has been arranged for Sumitomo Realty and Development Company by Credit Suisse. The borrower is paying a coupon of 5¼ per cent for five years.

Most sterling denominated bonds shed between ¼-½ of a point yesterday after profit taking developed after the sharp rise in prices witnessed during the past 10 days. However, dealers described the volume of business as being much higher than at any time during the past three months.

SwFr notes from World Bank

BY PETER MONTAGNON

THE WORLD BANK is preparing to offer its third series of Swiss franc notes to central banks. Unlike the previous similar issue, the notes will be available to central banks of the Group of Ten industrialised countries.

These banks were restricted from buying the second issue by the World Bank, but it now appears that Switzerland's recent move to liberalise capital exports makes such a restriction unnecessary.

The Swiss National Bank has authorised these borrowings by the World Bank as part of its policy of allowing a controlled internationalisation of its currency.

World Bank officials in Washington said yesterday that details of the new issue should be approved by the bank's board early next week. The notes would then be put on immediate offer.

The issue is expected to be similar in amount and maturity to the two previous issues, which were for about SwFr 200m over three or four years.

Meanwhile, a Y30bn 15-year bond is being arranged for the World Bank through Daiwa Securities. The borrower is paying a coupon of 8.6 per cent and the issue has been priced at 99.9.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on September 10

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit. Oxygen F. 10⅝ 90	50	85½	86	+0⅛	+0⅛	13.43
CECA 11½ 88	100	95¾	96¼	+0¼	+1	12.41
Citicorp O/S Fin. 10 86	300	90⅞	91⅜	+0½	+0⅜	12.20
Con. Illinois O/S 8¾ 86	150	89¼	89¾	+0¼	+0½	12.40
Denmark 11¾ 90	100	93¼	93¾	+0¼	−0⅛	12.96
Dome Petroleum 13½ 92	50	101½	102	+0⅛	+1	13.17
EEC 11 95	75	88	88½	+0¼	+0½	12.79
EEC 11 95	70	87⅞	88⅜	+0⅛	+1½	12.79
EIB 11¾ 92	30	91¼	92	+0⅛	−0¼	13.18
EIB 13¾ 90	100	103¼	103¾	+0⅛	+0⅛	13.06
Eksportfinans 11¼ 87	50	95⅛	95⅝	+0¼	0	12.25
Eksportfinans 9½ 87	75	86⅞	87⅜	+0¼	+1½	12.44
Elec. de France 10 88	125	88⅜	88⅞	0	0	12.33
Export Dv. Cpn. 13¾ 87	100	101⅞	102⅜	+0⅛	+0⅛	12.28
Export Dv. Cpn. 9½ 86	150	90¼	90¾	+0⅛	+0⅛	11.97
Federal Dev. Bk. 12⅛ 85	75	100½	101	+0⅛	0	11.99
Fin. Exp. Credit 10⅛ 85	60	92⅞	93⅜	+0¼	+0⅛	12.50
Finland Rep. of 9½ 86	100	87⅞	88⅜	+0⅛	+0⅜	12.58
Ford O/S Fin. 12⅛ 85	250	98	98½	−0⅛	+0⅜	13.10
George Weston 13½ 87	30	100	100½	+0⅛	−0⅛	13.40
GMAC O/S Fin. 11 84	100	96⅜	96⅞	+0¼	+0⅛	12.02
GMAC O/S Fin. 13⅜ 85	100	102⅞	103⅜	0	+0⅛	12.39
Goodyear O/S 12½ 87	75	97⅞	98⅜	+0⅛	+0⅛	12.90
Hudson's Bay 11½ 90	75	93¼	93¾	+0¼	+1⅛	12.67
IBM Canada 10⅛ 85	50	95⅝	96⅛	+0⅛	+0⅛	11.64
ICI Fin. Ned. 11 83	100	97⅞	98⅜	+0⅛	+0⅜	11.79
Int. Harvester 12¾ 85	115	98⅞	99⅜	+0⅛	−0⅜	12.98
McGraw 13½ 85	75	100⅛	100⅝	+0⅛	−0⅛	13.29
NorWest Ind. 13⅜ 87	60	100⅛	100⅝	+0⅛	+0⅛	13.49
Nova Scotia 10⅜ 90	50	91⅜	92⅛	+0⅛	+0⅛	12.17
OKB 10 85	50	93¼	93⅜	+0⅛	−0⅛	11.85
Pembroke Capital 9⅝ 87	100	†88¼	88¾	+0½	+0⅛	12.18
Pemex 11½ 88	100	92⅞	93⅜	+0⅛	+0⅛	12.93
Quebec Hydro 11½ 92	100	91⅝	92⅛	+0⅛	+0⅛	12.86
Repsteel O/S 11½ 88	100	88⅛	88⅝	+0⅛	−0⅛	14.02
Roylease Ltd 11¾ 86	50	96⅞	97⅜	+0⅛	+0⅜	12.12
SNCF 12⅛ 85	50	100⅝	101⅛	+0⅛	+0⅛	12.08
Swed. Ex. Cred. 12½ 85	40	†101	101½	0	+1⅛	12.08
US Finance BV 11 90	90	88⅛	89⅛	0	+0⅛	13.05
Unilever NV 9⅜ 90	100	85⅝	86⅛	+0¼	+0⅛	12.29
World Bank 8⅝ 85	200	91⅜	92⅛	+0⅛	+0⅛	12.06
World Bank 10⅛ 87	300	91⅝	92⅛	+0⅛	+1	12.05

Average price changes... On day +0¼ on week +0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	101½	102¼	−0⅛	+0⅛	8.69
Australia 8¾ 90	250	101⅛	101½	+0¼	+0⅛	8.00
BFCE 7¾ 87	100	97½	98¼	−0⅛	−0¼	8.18
BFCE 8⅛ 95	100	98¼	99⅛	0	−0⅛	8.27
Brazil 8 87	150	89¼	90	−0⅛	+3	15.15
Council of Eur. 7¾ 89	100	93⅝	94⅜	−0⅜	−0⅜	8.24
Denmark 7⅞ 86	100	98⅛	98⅞	−0⅛	0	8.21
Denmark 8¼ 92	100	99¼	99⅞	0	0	8.31
EEC 7⅞ 84	225	96½	97¼	+0⅛	0	8.26
Finland Rep. of 8 86	150	98⅞	99⅜	0	0	8.14
Iberduero SA 9 90	100	99⅛	99⅞	0	+0⅛	8.07
Kobe, City of 7¾ 89	150	94½	95¼	−0⅛	+0⅛	7.94
Kobe, City of 8 90	100	99¾	100¼	+0⅛	+0¼	7.99
Mt. Bk. Denmark 8½ 90	150	99	99⅝	0	−0⅛	8.59
Norway 7½ 85	250	99	99⅛	+0⅛	+0⅛	7.55
OKB 7⅞ 89	100	94⅝	95½	0	+0⅛	8.15
OKB 8⅛ 92	150	99⅛	99⅞	−0⅛	+0¼	8.31
Oslo, City of 8⅞ 90	90	102⅞	103⅛	0	+0⅛	8.29
Sweden 9⅜ 87	200	106⅛	107	−0⅛	−0⅛	8.38
World Bank 8 90	700	98⅛	98⅞	0	−0⅛	8.22
World Bank 7⅞ 90	250	96⅞	97⅝	0	−0⅛	8.30
World Bank 15 86	190	106⅛	107⅛	0	+0¼	8.37
World Bank 10 90	200	109½	110⅛	−0⅛	+0⅛	8.45

Average price changes. On day 0 on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Rep. of 5⅞ 90	100	97¾	99	−0⅛	−0⅞	5.66
Bergen, City of 4¾ 91	40	92	92½	−0⅞	−1½	5.73
Bergen, City of 5 90	50	102⅛	102½	−0⅛	−0⅛	5.67
BMW Overseas 4¾ 91	100	90⅛	90½	+0⅛	−3	5.43
Buhrm'n-Tetterode 7 90	40	104⅜	104⅞	+0⅛	+0⅛	5.32
Caisse Nat. Tels. 4¾ 99	100	92⅞	93⅜	0	−1⅛	5.38
Copenhagen 4½ 91	60	†86½	87	−0⅛	−1	6.12
Council of Eur. 5 89	100	94⅜	95	−0⅜	0	5.73
Denmark 5⅜ 90	90	99⅛	99⅝	−0⅛	−0⅛	5.81
EIB 4⅛ 94	100	84	84½	−1⅛	−1	6.15
Elec. de France 4⅝ 89	100	83⅜	93⅜	−0⅛	−0⅛	5.31
F. G. H. Hypo. Bk. 8 90	50	†102⅛	103⅛	0	−0⅛	5.59
Finland Rep. of 5⅜ 90	80	94½	94¾	−0⅜	−0⅛	5.37
GZB 4¾ 89	100	86⅜	87	−0½	−2⅜	5.17
Hilti 4½ 91	35	92	92¼	−0⅛	+0⅛	5.20
Int.-Amer. Dev. 4½ 89	100	†91	91½	−0⅛	−1	5.78
Int.-Amer. Dev. 7 90	90	105⅛	106	−0⅛	+0⅛	5.17
Jutland Tele. 5½ 90	90	†97½	98	−1⅛	−2½	5.81
Malaysia 5 89	90	88⅜	89	−0⅛	−1⅛	5.67
Newag 5⅜ 90	90	101⅛	101⅝	0	−0⅛	5.54
Nippon Tel. & T. 4⅜ 89	100	92½	92¾	−1⅛	−0⅛	5.30
Norges Komm. 4¾ 91	100	88⅜	89	−0⅛	−0⅛	5.76
OKB 4¾ 91	100	88⅜	89	−0⅛	−0⅛	5.76
OKB 6 90	100	103⅛	103⅜	−0⅞	−0⅛	5.55
Oslo, City of 4⅜ 91	100	87⅛	88⅛	−0⅛	−0⅛	5.87
Philips Lamps 5⅜ 92	100	98⅜	98⅞	−0⅛	−0⅜	5.39
Sekisui Pre. Hme. 6 90	60	103	103⅜	−0⅛	−0⅛	5.57
Shikoku El. Pwr. 4⅜ 89	100	94⅛	94⅜	−0⅛	0	5.58
World Bank 4⅜ 89	150	88⅜	89	−0⅛	−2	6.00
World Bank 4⅜ 91	100	89⅛	89½	+0⅛	−0¼	5.96

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.5 83	30	91⅛	92⅛	−0⅛	0	8.70
Australia 6½ 89	20	89	89	0	0	8.94
EIB 7¾ 89	12	96⅜	97⅛	0	+0⅛	8.19
Finland 5.6 83	10	91	92	0	0	8.81
Finland 8.8 88	15	97⅞	98⅞	0	+0⅛	9.00
Finland, Rep. of 8⅛ 87	15	97	98⅛	0	+0⅛	8.84

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	92⅞	93⅜	0	+0⅞	12.39
CIBC 13½ 85 C$	60	100⅛	101	0	+0⅛	13.26
CIBC 11½ 85 C$	60	95¾	96½	0	+0⅛	12.59
Federal Dev. 11½ 90 C$	60	89⅜	90⅜	0	+0⅛	13.34
Fst. Can. Inv. 10 84 C$	50	91⅞	92⅜	0	−0⅛	12.91
GMAC 12 85 C$	50	†96½	97½	0	+1	12.84
R. Bk. Canada 10 86 C$	40	91⅞	92⅜	+0⅛	+0¼	12.02
Tordom Cpn. 13½ 85 C$	30	100⅜	100⅞	0	+0⅛	13.30
M. Bk. Dnmk. 8 91 EUA	25	94	95⅛	0	+0⅛	8.80
SOFTE 8¾ 89 EUA	40	88⅜	89⅜	+0⅛	+0⅞	10.17
U. Bk. Nrwy 9½ 90 EUA	18	99⅜	100⅛	+0⅛	+0⅞	9.50
Algemene Bk. 8¾ 84 Fl	75	96⅞	96⅝	+0¼	+0⅜	9.37
Algemene Bk. 10⅞ 87 Fl	400	99½	100	−0⅛	+0⅛	10.29
Bk. Mees & H. 10 85 Fl	75	100½	100	−0⅜	+0½	9.79
Heineken NV 10 87 Fl	75	99⅞	100⅛	+0⅛	−0⅞	9.96
Norway 8¾ 84 Fl	100	96⅜	96¾	+0¼	+0½	8.32
Philips Lamps 8⅞ 84 Fl	75	96	96½	+0⅛	+0⅛	9.58
Aero Paris 13⅜ 87 FFr	150	99⅞	100⅛	+0⅛	+0⅛	13.06
Air France 11 84 FFr	120	96⅛	97⅛	−0⅛	0	12.11
CECA 14¾ 86 FFr	150	105⅜	106⅜	−0⅛	−0⅛	12.66
Finland 11 84 FFr	80	93⅜	94⅜	−0⅛	−0⅛	13.00
Finland 11½ 89 FFr	70	92⅞	93⅞	−0⅛	−0⅛	12.76
Gaz de France 11 84 FFr	190	95⅛	96⅛	−0⅛	−0⅛	12.35
IBM France 11⅞ 84 FFr	120	95⅜	96⅜	−0⅞	−0⅛	13.18
Renault 9⅜ 88 FFr	100	88⅛	89⅛	−0⅛	−0⅛	13.05
Solvay et Cie 9¾ 87 FFr	125	84⅞	85⅞	−0⅛	−0⅞	13.23
Utd. Mex Sts. 14 85 FFr	150	100½	101½	0	+0⅛	13.65
Beneficial Fin. 14½ 90 £	20	99⅜	100⅛	−0⅛	+1⅜	14.26
Citicorp O/S 13⅜ 90 £	50	98⅛	99	−0⅞	+0⅛	13.73
EIB 11½ 91 £	25	89⅞	90⅞	+1⅛	+1⅜	13.23
Fin. for Ind. 12½ 89 £	30	95½	96½	0	+0⅞	13.27
Fin. for Ind. 14½ 88 £	20	101⅜	102⅜	−0⅛	+1⅛	14.00
Gen. Elec. Co. 12½ 89 £	50	96⅜	97	+0⅛	+1⅜	13.14
Peugeot SA 14 90 £	23	99⅛	99⅞	−0⅛	+0⅜	14.08
Rothschild 14¾ 90 £	12	99⅜	100⅜	−0⅛	+0½	14.29
Swed. Ex. Cr. 15⅜ 85 £	20	103	103⅜	+0¼	+0⅜	14.13
Banobras 8¾ 90 KD	7	†93	93½	0	0	9.33
CCCE 8⅛ 91 KD	15	†94	94½	0	0	8.96
Sonatrach 8½ 90 KD	12	†92	92½	0	0	9.77
Akzo 8¾ 87 LuxFr	500	93	94	0	−1⅛	10.58
Euratom 8 87 LuxFr	500	87⅞	88⅞	0	−0⅛	10.53
Euratom 9¾ 88 LuxFr	500	97	98	0	−1⅛	10.23
EIB 9¾ 88 LuxFr	600	97⅞	98⅞	0	−0½	10.05
Volvo 9¾ 87 LuxFr	500	96⅛	97⅛	+0¼	−0⅛	10.42

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn.	C.yld
Allied Irish Bk. 5½ 87	0¼	98	98½	2/1	10.44	10.62
Bank of Ireland 5⅜ 89	‡0¼	97⅞	98⅜	21/11	11⅛	11.59
Bank of Tokyo 6⅛ 89	‡0⅛	97	97½	25/10	9⅜	9.51
Barclays O/S Inv. 5 90	0¼	97½	98	13/12	9⅝	9.85
Bergen Bk. A/S 6 89	‡0¼	97⅛	98	29/11	12⅛	12.53
Bilbao Int. NV 5¾ 90	0¼	96⅞	97½	29/11	10.06	10.36
Citicorp O/S F. 83	§‡0	99⅛	99⅝	23/11	11.44	11.51
Citicorp O/S F. 84	‡0	98⅞	99⅛	30/9	11.94	12.07
C. Itoh 5¾ 87	0⅛	99¼	99¾	18/9	19.44	19.54
Co-operative Bk. 8 86	0¼	98⅛	98⅝	15/11	11.44	11.63
Creditanstalt 5½ 81	§‡0⅛	97⅞	98⅜	14/9	8.44	9.82
CNT 5¾ 86	‡0⅛	100	100½	16/10	18⅛	18.06
GZB 5½ 89	‡0¼	98⅜	98⅞	1/11	8.81	8.95
Jugobanka 8 89	0⅞	90	92	23/11	11⅝	12.77
Ind. Bank Japan 5⅜ 87	0⅛	99⅝	100⅛	15/10	18⅜	18.77
Lloyds Eurofin 8 90 £	0⅛	96⅜	96⅞	3/1	15¾	16.30
LTCB Japan 6⅛ 88	0¼	98⅜	98⅞	13/12	9⅝	9.77
LTCB Japan 5¾ 89	0¼	97⅞	98⅜	7/12	10⅛	10.32
Mfrs. Han. O/S 5¾ 84	‡0⅛	97⅜	98⅛	30/11	12⅛	12.37
Midland Intl. Fin. 5 89	0¼	97½	98⅛	20/12	9½	9.69
Midland Intl. Fin. 5¾ 92	0¼	97⅝	98⅛	5/12	10⅞	11.11
Nacional Fin. 6¾ 88	0¼	97⅞	98	25/1	9.69	9.81
Nat West 5⅜ 94	§0¼	99	99½	11/10	18⅛	12.77
Nippon Credit 6⅛ 86	0¼	97⅜	97⅞	12/1	9.56	9.80
Nippon Credit 5¾ 87	‡0⅛	99⅛	98⅝	6/11	10⅞	11.04
Royal Bk. Scot. 5¾ 94	§‡0⅛	98½	99	11/15	9.31	9.43
Soc. C. de Bque. 6½ 87	0⅛	98⅛	99¼	3/15	20.06	20.27
Standard Chart. 5⅝ 90	0⅛	99½	100	2/9	17⅛	17.29
Svenska Hndlsbk. 5 87	0¼	97⅞	98⅜	15/1	10	10.19
Sweden 8⅛ 01	‡0⅛	96⅛	96⅝	18/10	8.56	8.90
Williams & Glyn 5¾ 91	0⅛	98⅛	99⅛	14/9	19½	15.71
Sq. S. d'Alg. 4⅝ 89 SF	0⅛	89⅛	89⅝	18/12	6⅛	6.84

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅜ 89	10/79	145	†120	121	+4	−5.59
Ajinomoto 7⅜ 96	2/80	915.5	121½	122⅜	−0⅛	−1.41
Alcoa Int. Fin. 8½ 94	1/80	40	93	94⅛	0	13.48
Apache 1. Fin. 8¾ 95	12/80	21.12	124	125⅛	0	−4.27
[illegible] Energy 8¾ 95	1/81	21.37	98½	99⅜	−0⅛	2.06
Canon 6⅜ 94	8/79	570	114⅜	116⅛	+1⅞	2.54
Credit Suisse 4¾ 93	15/79	1278	113⅛	115⅛	+0⅛	−1.23
Daiei Inc. 6⅛ 94	11/79	927.3	87⅛	98⅛	+0⅛	22.92
DKK 11 90	4/80	324	103½	104½	+0⅛	14.41
Dynelectron 9½ 98	8/80	12.22	113	115	0	−3.12
Enserch Fin. 9½ 94	7/80	30.25	130⅛	131⅛	+0⅛	−1.10
INA Overseas 8¾ 2000	4/81	42	97½	98⅛	+1	8.89
Inchcape Ltd. 8 95	2/81	4.55	106⅛	107½	+0⅛	3.02
Meidensha Elec. 7 94	12/79	210	103⅛	105	+0⅛	0.39
MEPC 8⅛ 96	2/81	2.47	110⅛	111⅛	+2⅛	0.32
Mitsubishi Cp. 6½ 94	10/79	549.1	131½	132⅛	+0⅛	0.08
Ricoh 6⅛ 85	8/80	604	101⅛	102⅛	−0⅛	5.15
SAC 6⅛ 90	8/80	300	88⅛	100	−0¼	3.72
Toshiba Cpn. 7⅜ 94	15/79	198	106⅛	107⅛	−0⅛	−1.54
Union Bk. Switz. 5 89	4/80	121.4	99⅞	100⅛	−1⅛	2.25
Fujitsu 6 84 DM	7/79	475	110⅛	110⅛	+1⅛	5.39
Sharp Corp. 8⅜ 86 DM	9/80	595	106⅛	107⅛	0	3.24
Uny Co. 6½ 95 DM	11/79	1071	97⅜	98½	−0⅛	24.30

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Tchibo buys dominant interest in Reemtsma

By Roger Boyes in Bonn

TCHIBO, one of West Germany's major coffee importers and retailers, has acquired a dominant interest in Reemtsma, the country's leading tobacco group, for an undisclosed sum.

The Tchibo purchase is the first major move in the highly competitive German tobacco market for more than a decade. Under the purchase agreement signed on Tuesday, Herr Jan Philipp Reemtsma has sold his 53 per cent stake in the group to Tchibo and to Frau Ingeborg Herz, whose family has strong interests in the coffee concern.

The Tchibo share, according to the company, is "significantly" noder 50 per cent of Reemtsma, with Frau Herz taking the remainder of the stake.

Reemtsma, with its 31 per cent share of the German tobacco market, stresses that the purchase will not bave an effect on the company's overall strategy. Its principal brands—Stuyvesant, Ernte 23, Reval and R6—will remain.

Tchibo has no other tobacco interests bnt the purchase will still have to be approved by the Federal Cartel Office, as well as Reemtsma's other shareholders. Neither company expects to meet any problem with the cartel office.

Herr Reemtsma, who is 29, has been wanting to get out of the tobacco industry for some time and to acquire othar industrial boldings but under the terms of bis inheritance from his father until recently he has not been able to sell his share.

Reemtsma, which also has interests in beer production, had a turnover of almost DM 6bn ($1.69bn) last year after cigarette tax was deducted. Of the pre-tax turnover of DM 6.3bn, cigarettes account for DM 5.2bn and beer DM 1.1bn. Profit for 1979 was DM 92m after tax.

VMF-Stork sees reduced loss after better first half

BY CHARLES BATCHELOR IN AMSTERDAM

VMF-STORK, the troubled Dutch engineering group, expects to reduce its loss this year after an improvement in the first half. However, this forecast does not take into account the cost of the continuing restructuring of the company, which will partly depend on the extent of Government aid.

The company cut its net loss in the period to mid-June to Fl 14m ($7.2m) from Fl 18m in the same period of 1979. VMF-Stork's share in the loss of the diesel engine division. Stork Werkspoor Diesel, which is included in this figure, was cut to Fl 2.5m from Fl 4m. VMF-Stork owns a little less than half of Werkspoor Diesel since the state holding was increased in 1978.

Provisions to meet the cost of restructuring will be made in the second half of the year and will depend to an extent on the size of government support. In 1979 Fl 3m of provisions were made in the first half, taking the total loss to Fl 21m.

VMF-Stork booked Fl 1.15bn ($593m) of new orders in the first half of 1980, an increase of nearly 10 per cent over the same 1979 period. It described price levels for these orders as "satisfactory."

The company recorded a gross operating profit of Fl 28.8m compared with a profit of Fl 22.8m last time. After allowing for a decline in depreciation and lower licence income but for higher research and development spending, the net operating result was a profit of Fl 200,000 compared with a loss of Fl 6.2m.

Interest charges more than doubled to Fl 3.3m while the profit of non-consolidated companies was more than halved to Fl 1.7m from Fl 3.7m.

VMF-Stork posted a net loss of Fl 18.8m in the whole of 1979. Restructuring costs of Fl 3m and provisions for political risks amounting to Fl 15.5m increased the total loss to Fl 37.3m.

UK problems hit Dutch builder

BY OUR AMSTERDAM CORRESPONDENT

THE LARGEST Dutch construction company, Hollandsche Beton Groep expects profits to fall this year largely because of the disappointing performance of its British subsidiary.

HBG's UK operations are grouped under Edmund Nuttall Holdings, a tunnelling contractor which was acquired for £6m in 1978. It gave no details of the problems in the UK.

The Dutch company expects net profits of around Fl 50m ($26m) this year compared with Fl 57.1m in 1979 and its earlier forecast of "stable earnings" in 1980. Despite the generally depressed state of project development work this will have only a slightly adverse effect on profits.

HBG expects turnover of Fl 2.9bn ($1.5bn) this year, slightly up on the Fl 2.8bn last time and after sales of about Fl 1.4bn in the first half. The company's order book also amounted to Fl 2.9bn at the end of the first half and is expected to remain at about this level by the year end on the basis of likely new contracts.

The company's liquidity has declined as a result of extensive investments in equipment for a series of new works but this was not a cause for concern, HBG said.

Lafarge and National Gypsum in joint venture

By David White in Paris

LAFARGE, the French cement group, is reorganising its plaster business in collaboration with National Gypsum of the U.S. in an attempt to become the leading European concern in the sector.

Lafarge's subsidiary, Platrières de France, is to become part of a joint venture operation, Pregypan, in which National Gypsum holds a 40 per cent stake.

The Dallas-based company is to inject $25m in cash into the business, in exchange for maintaining its stake. This is equivalent to Lafarge's investment in the plaster sector in 1978 and 1979, and compares with a combined turnover of FFr 557m ($134m) for the two subsidiaries last year.

Lafarge said that it was studying projects for reinforcing Pregypan's position in Europe. As a result of the reorganisation, Pregypan is claimed to be the only group producing the whole range of plaster products.

The agreement is the latest move in Lafarge's reappraisal of its non-cement interests, which it wants either to build up into internationally competitive units or to get rid of. It recently made a deal with St.-Gobain-Pont-a-Mousson to pool interests in refractory products, and is selling off its big packaging business, Lafarge Emballages, to St. Gobain's paper-making subsidiary, La Cellulose du Pin. In April this year Lafarge bought out minority shareholders in Platrières de France, building up its stake to 95 per cent.

Interfood lifts consolidated profit 5.7%

By Our Financial Staff

INTERFOOD, the Swiss food and chocolate group, lifted its 1979 consolidated worldwide profit by 5.7 per cent from SwFr 13.26m to SwFr 14m ($8.6m). Its annual report shows. The group's turnover totalled SwFr 1.26bn compared with SwFr 1.17bn previously.

The consolidated figures include the results of Interfood's subsidiaries as at December 31 but the income and expenses of the parent company for its financial year to March 31.

Interfood said that the acquisition of Andy's Candies, a U.S. chocolate producer, was completed in June. The acquisition of the company, which has annual sales of around $21m, marks the Swiss group's first entry in to the U.S. market.

Cockerill wins loan from State agency

By Our Financial Staff

BELGIUM'S LARGEST steelmaker, Cockerill, has been granted a BFr 1.2bn ($42m) loan by the state-supported financial institution, Societe Nationale de Credit a l'Industrie (SNCI).

The troubled steel group is believed to have needed the money to meet expenses for September and October but rejected conditions offered by private banks as "particularly difficult." It then turned to the state company which specialises in development loans to Belgian industry.

SNCI said it had agreed to provide the money over 15 years at 14 per cent. It has given Cockerill—in which the state has a stake of about 30 per cent—a five-year grace period and the interest rate is subject to revision every five years. SNCI said that the loan, decided in principle on Tuesday, would become official only "when all conditions are filled to the satisfaction of both parties."

In the last financial year Cockerill managed to reduce its losses sharply by BFr 1.79bn to BFr 4.36bn. This was after it had been announced that Cockerill would be receiving about BFr 22bn in state aid, of which the SNCI loan forms part.

Private Italian steelmaker plans capital increase

BY RUPERT CORNWELL IN ROME

FALCK, the private Milan-based Italian steel group, in which the powerful Italmobiliare group of Sig. Carlo Pesenti has a 25 per cent stake, is planning a capital increase and an issue of convertible bonds to strengthen its capital base.

The company intends to make a one-for-four issue of new L2,500 ($2.96) shares to existing shareholders at par. This will lift capital from the present L49.5bn to L61.9bn ($72.8m), and will represent the first increase in Falck's equity since 1972.

The rights issue comes after another profitable year in 1979 for the group. Sales rose to L445bn from L374bn at the parent company level, while net earnings again defied the general steel industry downturn to advance to L3.8bn from L2.4bn.

The improvement, moreover, was despite serious labour disruption last year, which cost Falck an estimated 100,000 tonnes of lost output.

A five-year convertible bond issue with a 13 per cent coupon is aimed at raising L18.6bn. Existing shareholders will be able to subscribe on the basis of three bonds for every eight shares held. The bonds can be exchanged for Falck shares on the basis of two shares for every three bonds held.

The proceeds of both capital increase and bond issues will help finance the ambitious L135bn investment programme of the group which is now in progress.

The strong trend in production has continued into the first half of this year. While overall Italian steel output is running 16 per cent ahead of 1979 levels, Falck has reported an 18 per cent volume increase during the period, while sales climbed by value almost 34 per cent.

Swedish metals group shows higher earnings

BY WESTERLY CHRISTNER IN STOCKHOLM

GRANGES, the Swedish metals and engineering group, which is being taken over by the Swedish domestic appliances group, Electrolux, reports pre-tax earnings of SKr 70m ($17m) for the first half of this year, up from SKr 51m in the same period of 1979.

Group sales in the six months rose to SKr 3bn ($722m), against SKr 2.5bn.

For the whole of 1980, the forecast in July by Mr. Bo Abrahamsson, managing director, for pre-tax earnings of SKr 150m remains valid. The 1979 profit was SKr 123m. Mr. Abrahamsson said, however, that the forecast would hold true only if "there is no marked deterioration in the state of trade."

A 1980 turnover forecast in May provided for a 30 per cent increase over 1979's SKr 5.16bn. No fresh forecast was given at the end of the half-year.

The forecast for the industrial companies, including Gränges Aluminium, Gränges Metallverken and Gränges Kraft, is for unchanged earnings during 1980 compared with last, while Gränges Weda is likely to show a profit decline. "The industrial companies are going on the assumption that the second half of the year will bring a cyclical deterioration, bearing mainly on sales to the automotive industry," the group said.

First-quarter downturn at Esselte

By Our Financial Staff

FIRST-QUARTER group income of Esselte, the Swedish office supply group, dropped by SKr 23m to SKr 65m on sales only slightly ahead at about SKr 1bn ($240m) compared with SKr 923m. The profit was after net interest charges.

Mr. Sven Wallgren, the managing director, said at the annual meeting that first quarter sales were not representative for the 12-month result, as the largest division, business systems, usually registered the larger portion of its sales during the second-half of the financial year. Sales within the business systems division during the April to June period amounted to SKr 595m, against SKr 519m during the same period last year.

For the year Esselte expects 1980-81 net income after net interest expense to be about 10 per cent lower than last year's SKr 305m. The downturn is forecast to result from lower demand in at least three of Esselte's key markets: Britain, the U.S. and West Germany.

The group also expects sales to reach SKr 4.88bn, a 17 per cent increase over last year. The business systems division is predicted to register annual sales of SKr 2.9bn, up from last year's SKr 2.4bn.

In addition, the first quarter profit was negatively affected by the labour conflict in Sweden in May and a port strike in June, it was stated.

Haw Par well ahead in first six months

By Our Financial Staff

HAW PAR Brothers International, tha Singapore based investment group, has released interim figures wbich appear to back up its prediction of a aignificant improvement in 1980 results over those of 1979.

The company said group profit before tax, bnt after minorities, for the first balf of 1980 was S$13.3m (U.S.$ 6.3m), sbarply bigher than the S$3m of the same previous period.

Profit after extraordinary items came to S$25.78m for the six months against S$2.83m on turnover of S$148.66m (US$70m), compared with S$62.28m. Parent company pre-tax profit was S$271,000 up from S$251,000.

Haw Par said the results were not comparable because the 1979 figures did not include any contribution from the appliance manufacturer Setron which was acquired by Haw Par in July 1979.

Also, because Haw Par is a bolding company, its results depend primarily on payments of dividends by subsidiaries, which normally are received in the second balf of the year. None the less, Haw Par aaid that all its major divisions showed improved profits wbile the losses of the marine division were reduced further.

Bahrain arm for Mitsubishi

TOKYO — Mitsubiahi Corporation, a major Japaoese trading house, is to set np a wholly-owned subsidiary in Bahrain on October 1.

Mitsubishi said the main functions of the subsidiary, called Mitsubishi Corporation (Middle East) E.C., will he collecting economic information aod coordinating Mitsubishi's business activities in 11 Middle East countries, including Saudi Arabia, Iraq, Kuwait, and Iran.

The subsidiary has been established in Bahrain because of its fast growth as a financial centre in the Middle East.

● NIPPON DENSO has set up a wholly-owned subsidiary, Nippon Denso Compressor at an industrial complex in Parana, Brazil, to produce compressors for car air-conditioners.

Capitalised at 21m cruzeiros, the subsidiary plans to produce 10,000 compressors a month from July 1982, employing 150 workers.

Agencies.

Decline at Argaman

By L. Daniel in Tel Aviv

ARGAMAN, one of Israel's largest textile combines, and a producer of textile machinery, reports that profitability declined significantly in 1979-1980. Consolidated pre-tax profit increased by only 27 per cent (as compared with a 1979 inflation rate of 111 per cent) to I£69m ($1.4m) and net profit by 72 per cent to I£59.7m.

Turnover, including exports, came to I£799m ($16m). The company is to pay an unchanged cash dividend of 10 per ceot and to make a scrip issue at a rate of 20 per cent compared with 100 per cent a year earlier.

Jardine Securities lifts earnings and dividend

BY PHILIP BOWRING IN HONG KONG

JARDINE SECURITIES, tha iovestment bolding company, has reported earnings after tax and minority interests for the year ending June of HK$56.9m ($U.S.$11.5m) compared with HK$52.5m for the previoua year.

A final dividend of 36 cents is recommended making a total of 55 cents compared with 49 ceots. A honus issue of warrants is also being made on the basis of one warrant for every two ahares beld, entitling bolders to subscribe for ona share at HK$12 between January 1981 and December 1983. This comparea with a net asset valne per share at end June of HK$16.9 and a current market price of HK$12.9. The net asset value of the company at end-June was HK$1.56bn.

The hoard intends to change the company's accounting yaar to end-December. Thua the next accounting period will be of 18 months, during which two interim dividends will be paid.

The change will bring tha company into line with its parent Jardine Matheson, which last year increased its stake in Jardine Securities so that it is now a subsidiary having previously been an associate.

Holders of the new warrants will be able to opt to hold them in bearer form after the initial distribution.

Advance by Hume Far East

BY GEORGIE LEE IN SINGAPORE

HUME INDUSTRIES (Far East) the Singapore and Malaysia construction material manufacturer bas reported a 19 per cent rise in group profit for the year ended June. Group post tax profit rose to S$28.2m (U.S.$ 13.3m) from S$23.7m in 1978-79, while at the post-tax level, group profit rose by 28 per cent to S$16.8m.

Group sales passed the S$200m mark for the first time, to reach a record S$203.1m (U.S.$95.8m), a rise of 25 per cent.

Hume, part of the Humes group of Australia, commented that the results were achieved in a year notable for high interest rates, rising wage bills, and escalating costs of energy, raw materials, and other items. Overall demand for the products of its operating companies had remained at a high level, hut sbortages of trained personnel and raw materials bad been felt in some areas.

Orders in band continued at a aatisfactory high level, it was said, and there was no sign of a fall in demand for the gronp's products. The group expected further growth in earnings in the current year.

Hume has declared 9 per cent final gross dividend and a 2.5 per cent bonus gross dividend. This makes a total of 17.5 per cent for the full year, after the inclusion of 6 per cent interim dividend already paid.

Slowdown for SA cable groups

BY JIM JONES IN JOHANNESBURG

TWO South African electric cable companies have reported interim results showing a modest rate of growth.

Aberdare, the 67 per cent-owned subsidiary of Philips, the Dutch electrical group, raised first-half pre-tax profits by 9.3 per cent to R5.73m ($7.6m), from the R5.25m of the six months to June 30, 1979. In the same period, Scottish Cables, which is owned as to 58 per cent by BICC, increased its pre-tax income by 7.4 per cent to R3.09m ($4.1m), from R2.88m.

The results come at a time when South African industry in geoeral bas been reporting solid expansion, and when the country's industrial shares have hit records highs, though lately turning down.

Turnover at Aberdare was up 35.7 par cent to R28.5m ($38m), from R21m, and compares with turnover of R47.6m for the wbole of 1978-79, a year when pre-tax profits totalled R10.76m.

Mr. Robert Owen, the Aberdare deputy cbairman, attributes the company's narrower margins to cost increases and a changing prodnct range. Although be believes that demand will contime to rise, he feels that margins will remain under pressure. Aberdare, says Mr. Owen, is operating at about 70 per cent capacity in an industry which is currently characterised by excess capacity.

Aberdare has declared ao unchanged 10 cents interim dividend from first-balf earniogs per share of 45 cents against 41 cents. For all 1979 total dividends of 82.5 cents were paid, including an extraordinary dividend of 50 cents, from earnings of 86 cents.

Scottish Cables has not revealed interim figures of turnover, which amounted to R41m during 1979, when a pre-tax profit of R6.24m was earned before LIFO (last in first out) accounting adjustments. An interim dividend of 6.5 ceots, against 5.5 cents, has been declared from LIFO-adjusted first half earnings per share of 11.36 cents compared with 9.42 cents.

Premier Milling to cut liquor retailing interests

BY OUR JOHANNESBURG CORRESPONDENT

PREMIER MILLING, the R910m turnover diversified South African food group, which is 51 per cent owned by Associated British Foods, is to reduce its liquor retailing interests.

In a casb and preference sbare deal worth R2.2m ($2.9m) plus extra for stock and valuation, Premier is selling nine retail liquor outlets to the Cape based Union Wine's 80 per cent owned subsidiary Picardi Hotels (Picotel).

Premier's move follows last November's rationalisation of South Africa's liquor industry which, among other things, limited the number of retail outlets which could be controlled by any one group Picotel however, was given a special dispensation allowing it to acquire 75 outlets in addition to the 54 it owned at the end of 1979.

The nine outlets now being acquired had a combined turnover of about R20m in the year to March 31, 1980.

Full details of the acquisition have yet to be announced, but Picotel is to fund its purchase in part through an issue of preference sharea. The company says the acquisition is expected to increase Union Wine's 1981 group earnings hy 6 cents a sbare. That compares with earnings of 27.44 cents in the year to June 30, 1980 on the company's 4.18m issued ordinary shares.

Midway rise for Guthrie Ropel

By Wong Sulong in Kuala Lumpur

GUTHRIE ROPEL, the Malaysian incorporated, 60 per cent owned subsidiary of Guthrie Corporation, lifted pre-tax profit to 11.5m ringgit ($5.4m) for the six months to end June from 10.6m ringgit for the previous first half.

Satisfactory levels of output were achieved for rubber, palm oil, and palm kernels, and the group benefited from higher commodity prices in the early part of the year by forward selling.

However, second half earnings are expected to be affected by the weaker commodity prices. The interim dividend is maintaioed at 7 per cent.

BASE LENDING RATES

A.B.N. Bank .... 16 %	■ Hambros Bank .... 16 %
Allied Irish Bank ...... 16 %	■ Hill Samuel ....§16 %
American Express Bk. 16 %	C. Hoare & Co. ....†16 %
Amro Bank .... 16 %	Hongkong & Shanghai 16 %
Henry Ansbacher....... 16 %	Industrial Bk. of Scot. 16½%
A P Bank Ltd. .... 16 %	Keyser Ullmann ...... 16 %
■ Arbuthnot Latham ... 16 %	Knowsley & Co. Ltd.... 18 %
Associates Cap. Corp. 16 %	Langris Trust Ltd. ... 16 %
Banco de Bilbao ...... 16 %	Lloyds Bank .... 16 %
Bank of Credit & Cmce. 16 %	Edward Manson & Co. 17 %
Bank of Cyprus .... 16 %	Midland Bank .... 16 %
Bank of N.S.W. .... 16 %	■ Samuel Montagu ...... 16 %
Banque Belge Ltd. ... 16 %	■ Morgan Grenfell ...... 16 %
Banque du Rhone et de la Tamise S.A. 16½%	National Westminster 16 %
Barclays Bank .... 16 %	Norwich General Trust 16 %
Bremar Holdings Ltd. 17 %	P. S. Refson & Co. ... 16 %
Brit. Bank of Mid. East 16 %	Rossminster .... 16 %
■ Brown Shipley .... 16 %	Ryl. Bk. Canada (Ldn.) 16 %
Canada Perm't Trust... 17 %	Schlesinger Limited ... 16 %
Cayzer Ltd. .... 16 %	E. S. Schwab .... 16 %
Cedar Holdings .... 16 %	Security Trust Co. Ltd. 17 %
■ Charterhouse Japhet... 16 %	Standard Chartered ... 16 %
Choulartons .... 16 %	Trade Dev. Bank ...... 16 %
C. E. Coates .... 16 %	Trustee Savings Bank 16 %
Consolidated Credits... 16 %	Twentieth Century Bk. 16 %
Co-operative Bank ...*16 %	United Bank of Kuwait 16 %
Corinthian Secs. ...... 16 %	Whiteaway Laidlaw ... 16½%
The Cyprus Popular Bk. 16 %	Williams & Glyn's ...... 16 %
Duncan Lawrie .... 16 %	Wintrust Secs. Ltd. ... 16 %
Eagil Trust .... 16 %	Yorkshire Bank ...... 16 %
E. T. Trust Limited ... 16 %	■ Members of the Accepting Houses Committee.
First Nat. Fin. Corp.... 19 %	* 7-day deposits 14%. 1-month deposits 14¼%.
First Nat. Secs. Ltd. ... 19 %	† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
Robert Fraser .... 16 %	‡ Call deposits over £1,000 14%.
Antony Gibbs .... 16 %	§ Demand deposits 14½%.
Greyhound Guaranty... 16 %	
Grindlays Bank ....‡16 %	
■ Guinness Mahon ...... 16 %	

CURRENCIES, MONEY and GOLD

Pound steady

Sterling was unchanged on balance in currency markets yesterday. Rumours of a possible cut in MLR this Thursday had tended to depress the currency on Tuesday, but the reaction to Tuesday's banking figures may have been slightly overdone, and sterling improved yesterday on short covering. There was also a feeling that a cut of 1 per cent in MLR would still leave interest rates some way above Euro-dollar rates and would hardly impair sterling's relatively attractive position. On Bank of England figures, the pound's trade weighted index finished unchanged at 76.0, having recovered from 75.8 in the morning to 76.0 at noon. Against the dollar it opened at $2.4025-2.4035 and touched a low of $2.3945-2.3955 on dollar demand, before coming back to a high for the day of $2.4060-2.4070. It closed at $2.4025-2.4035, a rise of just 25 points.

The dollar finished around the middle of the day's range in featureless trading, and showed a slight downward trend compared with Tuesday's closing levels. Against the D-mark it closed at DM 1.7785 from DM 1.7795 previously, and SwFr 1.6300 against SwFr 1.6320 in terms of the Swiss franc. The Japanese yen was also slightly firmer, with the U.S. unit easing to Y216.50 from Y216.65. On Bank of England figures, the dollar's trade weighted index was unchanged at 83.6.

D-MARK—One of the weaker members of the European Monetary System of late, but showing signs of recovery against the dollar following doubts about the future trend in U.S. interest rates and Federal Reserve monetary policy ahead of the Presidential election—The D-mark was mostly firmer in Frankfurt yesterday, improving against the dollar and sterling, as well as the Belgian franc and Danish krone. Sterling slipped to DM 4.2750 from DM 4.3020, and the Belgian franc was lower at BFr 6.24 compared with BFr 6.249. The Danish krone was fixed at DM 32.30 per DKr 100 against DM 32.345. The dollar slipped to DM 1.7804 from DM 1.7806, and there was no intervention by the Bundesbank at the fixing.

FRENCH FRANC—Showing a weaker tendency within the EMS, and recently displaced at the top of the system by the Dutch guilder and Irish punt—The franc was unchanged on balance at the fixing in Paris yesterday, losing ground to the U.S. dollar and D-mark, but improving in terms of the Swiss franc and sterling. The dollar rose to FFr 4.1395 from FFr 4.1307½, and the D-mark was higher at FFr 2.3258 against FFr 2.3257. On the other hand the Swiss franc was lower at Fr 2.5370 against FFr 2.5390, and sterling dropped to FFr 9.9475 from FFr 9.988.

JAPANESE YEN—Advancing steadily since the middle of last month, helped by the general weakness of the dollar, and the relatively successful fight against inflation, which allowed a cut in the central bank discount rate—The yen was slightly weaker against the dollar in Tokyo yesterday, with the U.S. unit rising to Y216.60 from Y216.50 at the opening, and Y216.25 at Tuesday's close. Early dollar demand pushed it to a high of Y217.00, but it came back later in the day on some export covering.

THE POUND SPOT AND FORWARD

Sept. 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3945-2.4070	2.4025-2.4035	1.32-1.22c pm	6.34	2.45-2.35 pm	3.99
Canada	2.7820-2.7955	2.7895-2.7905	1.62-1.52c pm	6.75	3.45-3.35 pm	4.87
Nethlnd.	4.62-4.66½	4.64½-4.65½	2½-1½c pm	5.15	5⅝-5⅛ pm	4.84
Belgium	68.20-68.70	68.55-68.65	28-18c pm	4.02	63-53 pm	2.38
Denmark	13.17½-13.24½	13.21¼-13.22¼	2½-4¼ore dis	−3.06	12½-14½ dis	−4.08
Ireland	1.1330-1.1356	1.1340-1.1350	0.26-0.17p pm	2.27	0.48-0.39 pm	1.53
W. Ger.	4.25-4.29	4.27-4.28	3¼-2¼pf pm	9.07	8-7 pm	7.02
Portugal	118.25-119.10	118.85-119.05	30c pm-10 dis	1.01	25 pm-90 dis	−1.09
Spain	175.00-175.50	175.35-175.45	80-70c pm	5.12	140-125 pm	3.02
Italy	2,025-2,034	2,032½-2,033½	6¼-8¼ lire dis	−4.28	38½-41½ dis	−7.87
Norway	11.52-11.59	11.57-11.58	3¼-2ore pm	2.72	7½-6 pm	2.33
France	9.89-9.96	9.92½-9.93½	4¼-3¼c pm	4.53	9¼-8¼ pm	3.52
Sweden	9.94-9.99	9.97¼-9.98¼	½ore pm-½ dis	—	2¼-3¼ dis	−1.10
Japan	519-525	520-521	1.55-1.15y pm	3.11	4.35-3.95 pm	3.19
Austria	30.15-30.35	30.27-30.32	13-10gro pm	4.55	32-25 pm	3.76
Switz.	3.89½-3.93½	3.91¼-3.92¼	4-3c pm	10.72	10¾-9¾ pm	9.95

Belgian rate is for convertible francs. Financial franc 69.20-69.30. Six-month forward dollar 3.40-3.30c pm, 12-month 4.30-4.20c pm.

THE DOLLAR SPOT AND FORWARD

Sept. 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3945-2.4070	2.4025-2.4035	1.32-1.22c pm	6.34	2.45-2.35 pm	2.89
Ireland†	2.1140-2.1180	2.1150-2.1170	0.75-0.65c pm	3.97	1.35-1.25 pm	2.46
Canada	1.1614-1.1623	1.1616-1.1619	0.08-0.04c pm	0.62	0.29-0.24 pm	0.91
Nethlnd.	1.9325-1.9360	1.9350-1.9360	0.02-0.12c dis	−0.43	0.50-0.40 pm	0.93
Belgium	28.47-28.55	28.53-28.55	2-4½c dis	−1.58	3½-6 dis	−0.66
Denmark	5.4980-5.5130	5.4985-5.5000	4-4½ore dis	−9.27	9¼-10¼ dis	−7.27
W. Ger.	1.7745-1.7815	1.7780-1.7790	0.27-0.23pf pm	1.69	1.30-1.21 pm	3.00
Portugal	49.41-49.60	49.45-49.55	15-30c dis	−5.45	40-85 dis	−5.05
Spain	73.00-73.10	73.05-73.10	45-65c dis	−9.03	170-200 dis	−10.13
Italy	845.00-845.80	845.30-845.60	8-9½ lire dis	−12.40	27-29 dis	−13.23
Norway	4.8090-4.8195	4.8165-4.8180	1.10-1.60ore dis	−2.26	1.65-2.15 dis	−1.58
France	4.1275-4.1425	4.1350-4.1365	0.50-0.60c dis	−1.59	0.35-0.50 dis	−0.41
Sweden	4.1465-4.1525	4.1510-4.1525	3.00-2.15ore dis	−9.00	5.20-5.35 dis	−5.08
Japan	216.20-216.80	216.45-216.55	0.45-0.60y dis	−2.91	0.40-0.55 dis	−0.88
Austria	12.58¾-12.61¼	12.58¾-12.59¾	1.50-2.10gro dis	−1.71	0.40pm-1.35d	−0.15
Switz.	1.6260-1.6340	1.6295-1.6305	0.75-0.65c pm	5.16	2.52-2.47 pm	6.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Sept. 10	Bank of England Index	Morgan Guaranty Changes %
Sterling	76.0	−30.0
U.S. dollar	83.6	−9.8
Canadian dollar	80.8	−17.0
Austrian schilling	156.3	+24.3
Belgian franc	115.3	+13.0
Danish kroner	106.9	−4.6
Deutsche mark	154.7	+44.0
Swiss franc	198.5	+80.5
Guilder	126.3	+10.1
French franc	101.9	−5.8
Lira	52.7	−51.5
Yen	131.2	+28.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index = 100).

CURRENCY RATES

Sept. 9	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	16	0.546859	0.589287
U.S. $	10	1.32247	1.42537
Canadian $	10.67	1.53764	1.65756
Austria Sch.	6¾	16.6340	17.8169
Belgium F	12	37.0309	40.5553
Danish K	13	7.22367	7.83097
D'mark	7½	2.34831	2.53017
Guilder	9	2.55567	2.75358
French Fr.	9½	5.46312	5.88321
Lira	15	1117.49	1204.44
Yen	8.25	286.183	308.378
Norwgn. Kr.	0	6.35777	6.84961
Spanish Pts.	8	Unavail.	103.952
Swedish Kr.	10	5.47767	5.90387
Swiss Fr.	3	2.14926	2.31769

OTHER CURRENCIES

Sept. 10	£	$		£ Note Rates
Argentina Peso	4596-4616	1910-1923	Austria	30.05-30.35
Australia Dollar	2.0520-2.0560	0.8546-0.8550	Belgium	68.65-69.29
Brazil Cruzeiro	133.29-134.29	55.645-55.845	Denmark	13.14-13.24
Finland Markka	8.74½-8.79½	3.6335-3.6345	France	9.88-9.96
Greek Drachma	101.211-104.272	42.40-43.65	Germany	4.29½-4.28½
Hong Kong Dollar	11.88-11.90	4.9505-4.0925	Italy	2010-2120
Iran Rial	n.a.	n.a.	Japan	518-524
Kuwait Dinar (KD)	0.638-0.644	0.2670-0.2671	Netherlands	4.62½-4.66½
Luxembourg Frc.	68.55-68.65	28.53-28.55	Norway	11.50-11.60
Malaysia Dollar	5.0780-5.0890	2.1165-2.1185	Portugal	116-124
New Zealand Dlr.	2.4389-2.4439	1.0165-1.0165	Spain	170¾-179½
Saudi Arab. Riyal	7.93-7.99	3.3185-3.3210	Sweden	9.91-10.00
Singapore Dollar	5.0900-5.0900	2.1175-2.1185	Switzerland	3.90-3.93
Sth. African Rand	1.8120-1.8130	0.7540-0.7545	United States	2.396-2.406
U.A.E. Dirham	8.83-8.88	3.6865-3.6885	Yugoslavia	69¾-73

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5520	+1.92	+0.75	±1.53
Danish Krone	7.72336	7.83214	+1.41	+0.24	±1.64
German D-Mark	2.48208	2.52842	+1.87	+0.70	±1.125
French Franc	5.84700	5.88206	+0.60	−0.57	±1.3557
Dutch Guilder	2.74362	2.74994	+0.23	−0.94	±1.512
Irish Punt	0.668201	0.670986	+0.42	−0.75	±1.668
Italian Lira	1157.79	1204.21	+4.01	+2.90	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Sept. 10	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.405	4.275	520.9	9.830	3.918	4.660	2033.	2.780	68.60
U.S. Dollar	0.416	1.	1.779	216.9	4.132	1.630	1.939	846.0	1.161	28.59
Deutschemark	0.234	0.562	1.	121.8	2.323	0.919	1.088	479.9	0.693	16.05
Japanese Yen 1,000	1.921	4.617	8.213	1000.	19.08	7.529	8.834	3909.	5.360	131.8
French Franc 10	1.007	2.420	4.309	524.9	10.	3.946	4.683	2047.	2.810	68.08
Swiss Franc	0.259	0.613	1.091	132.9	2.539	1.	1.187	519.0	0.712	17.51
Dutch Guilder	0.216	0.517	0.919	111.9	2.135	0.842	1.	437.2	0.600	14.75
Italian Lira 1,000	0.499	1.182	2.103	258.0	4.884	1.927	2.287	1000.	1.372	33.74
Canadian Dollar	0.358	0.861	1.532	186.6	3.569	1.404	1.667	728.7	1.	24.59
Belgian Franc 100	1.458	3.503	6.232	758.7	14.48	5.711	6.778	2964.	4.067	100.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 10)

3 months U.S. dollars		6 months U.S. dollars	
bid 11 9/16	offer 11 11/16	bid 11 15/16	offer 12 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	19½-16¾	10⅛-10⅜	9-10	10⅛-10¼	3⅝-3⅞	8⅜-8½	11¼-11½	14-18	10 3/16-10 5/16	12-12½
7 days' notice	16¼-16½	10 1/16-10 3/16	8-10	10¼-10 7/16	4-4½	8¼-8⅜	11¼-11½	15¾-19¾	10 1/16-10 3/16	13-13½
Month	16¼-16⅛	10⅛-10⅜	8½-8⅞	10 7/16-10⅝	5 1/16-5 3/16	8 7/16-8 9/16	11⅝-11⅞	20¼-21¾	10¼-10⅜	18¾-13
Three months	15¾-16	11⅛-11¾	10¼-10⅝	10 7/16-10⅝	5 7/16-5 9/16	8½-8⅝	11⅞-12⅛	23¾-24¾	11 5/16-11 7/16	12¼-12½
Six months	15-19¼	11⅞-12⅛	11-11⅜	10 7/16-10⅝	5½-5⅝	8 7/16-8 9/16	12⅛-12½	25¾-26¾	11⅞-12	10⅝-10⅞
One Year	14-14¼	11⅛-12⅛	11¼-11⅝	10¼-10 7/16	5 9/16-5 11/16	8 7/16-8⅝	12⅛-19¾	24½-29½	11 15/16-12 1/16	8⅝-07⅛

Long-term Eurodollar two years 12¾-12⅞ per cent; three years 12¾-12⅞ per cent; four years 12¾-12⅞ per cent; five years 12⅝-12⅞ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-day's notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit one-month 10.50-10.60 per cent; three-months 11.25-11.35 per cent; six-months 11.55-11.65 per cent; one year 11.60-11.80 per cent.

INTERNATIONAL MONEY MARKET

Dutch rates steady

Dutch short term interest rates seem unlikely to show much change ahead of next week's announcement of the 1981 Budget and the Government's expected finance deficit. Although it has been officially forecast that the public sector deficit will fall to 5½ per cent of national income from nearly 6 per cent this year it is generally expected that there will be little change in the amount of Government borrowing through the bond market.

Banks are still finding conditions fairly comfortable in the money market, and with 21 per cent of the central bank current quota period expired, only 13 per cent of the present facility has been used. Liquidity may become tighter in the coming month as tax payments fall due, but with the guilder very firm in the foreign exchange market, and particularly against its partners in the European Monetary System, the authorities are expected to give the necessary assistance.

Dutch call money was unchanged at 10¼-10⅜ per cent yesterday, while one, three and six-month funds were also steady at 10½-10⅝ per cent. 12-month money rose to 10¼-10⅜ per cent from 10⅛-10¼ per cent.

In Frankfurt call money rose to 9.45-9.55 per cent from 9.40-9.50 per cent, and one-month firmed to 9.15-9.25 per cent from 9.10-9.20 per cent. Three-month funds were unchanged at 8.90-9.05 per cent, six-month at 8.65-8.80 per cent, and 12-month at 8.40-8.60 per cent.

UK MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

Day-to-day credit remained in short supply in the London money market yesterday, and the authorities gave assistance by lending a moderate amount to four or five discount houses, overnight at Bank of England Minimum Lending Rate. There was a moderate excess of Government disbursements over revenue payments to the Exchequer but this was outweighed by the unwinding of a moderate sale and repurchase agreement of bills, the repayment of the small amount borrowed on Tuesday, and settlement of small sales of gilt edged stock.

Discount houses paid 15½-16 per cent for secured call loans, while the easier trend in interest rates and the shortage of Treasury bills in the market was underlined by the fall in the discount rate on Treasury bills ahead of Friday's bill tender, where there is expected to be a heavy demand.

GOLD

Firmer trend

Gold rose $15½ an ounce in the London bullion market yesterday to close at $683-686, its highest level since early February. It opened at $678-681, which was the low for the day, and rose to a best level during the afternoon of $688-691. Trading was moderately active, although there were no fresh factors to affect the level of business. Dealers hinted towards renewed activity after the summer holidays and some short covering as two of the reasons behind the recent rise in gold.

In Paris the 12½ kilo bar was fixed at FFr 90,000 per kilo ($676.23 per ounce, compared with FFr 89,990 ($677.51) in the morning, and FFr 89,500 ($673.86) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 39,155 per kilo ($684.97 per ounce) against DM 37,855 ($660.97) previously, and closed at $685-688 compared with $670-673 on Tuesday.

In Zurich gold finished at $683-686 against $668-671 previously.

	Sept. 10		Sept. 9	
Gold Bullion (fine ounce)				
Close	$683-686	(£284¼-285½)	$667½-670½	(£278¼-279½)
Opening	$678-681	(£282¼-283½)	$673-670	(£278-278½)
Morning fixing	$686	(£285.833)	$674	(£278.397)
Afternoon fixing	$686.6	(£285.863)	$670.5	(£278.505)
Gold Coins				
Krugerrand	$704-706	(£283¼-294¼)	$687-689	(£286¼-287¼)
Mapleleaf	$698-701	(£291-283)	$681-684	(£283½-285½)
New Sovereigns	$173-174	(£72-72½)	$169½-170½	(£70½-71½)
King Sovs.	$200-202	(£83-84)	$198-200	(£82½-83½)
Victoria Sovs.	$200-202	(£83-84)	$198-200	(£82½-83½)
French 20s	$167½-170½		$167-170	
50 pesos Mexico	$847-850		$828-831	
100 Cor. Austria	$668-671		$655-658	
$20 Eagles	$701-794		$786-791	
$10 Eagles	—		—	
$5 Eagles	—		—	

MONEY RATES

NEW YORK

Prime Rate	12
Fed. Funds	10-10⅛
Treasury Bills (13-week)	9.94
Treasury Bills (26-week)	10.10

GERMANY

Discount Rate	7.50
Overnight Rate	9.50
One month	9.20
Three months	9.975
Six months	8.725

FRANCE

Discount Rate	9.5
Overnight Rate	11.375
One month	11.5625
Three months	11.8125
Six months	11.8125

JAPAN

Discount Rate	8.25
Call (Unconditional)	11.5
Bills Discount (three-month)	11.5

LONDON MONEY RATES

Sept. 10 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15-16½	—	—	—	16⅛-16¼	15½-16	—	—	—
2 days notice	—	—	16¼-16⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16¼-19½	16⅝	—	16¾	16¾-16⅞	15¼-15⅞	—	—	—
One month	16 1/16-16 3/16	16¼-16 7/16	19⅜-16⅝	17¼-17⅝	19⅝	19⅝-17	15¼-15⅝	14 7/16-14 9/16	19¼-19⅜	17
Two months	16 1/16-15 15/16	16-19 7/16	—	19¼-19⅛	19⅝	—	14⅛-14⅞	14⅝-14 11/16	15 13/16-16¾	16⅝
Three months	15⅝-16½	15⅝-15⅞	15¾	15⅝-19⅛	16	16⅛-16⅝	14-14½	14½	15	15¾
Six months	14 9/16-14⅝	14 9/16-14 11/16	14⅞	14½-19	15¼	15½	—	—	13 11/16-13¾	14¾
Nine months	14-13⅞	14⅛-14¼	—	14¼-14⅝	14½	15	—	—	—	—
One Year	13 9/16-15 1/16	13⅝-14	14	13¾-14⅛	14½	14½	—	—	—	—
Two years	—	—	13⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13⅞ per cent; four years 13⅞ per cent; five years 13¾-13⅞ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14 11/16 per cent; four-month trade bills 15⅝ per cent.

Approximate selling rate for one-month Treasury bills 14 9/16-14 21/32 per cent; two-months 14½-14 9/32 per cent; three-months 14⅞-14⅝ per cent. Approximate selling rate for one-month bank bills 16⅛-16¼ per cent; two-months 15⅝-15 21/32 per cent; three-months 14⅞-14 29/32 per cent; one-month trade bills 16⅝ per cent; two-months 16⅛ per cent; and three-months 15⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from September 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.7524 per cent.

JOBS COLUMN

The new witchcraft—and how to defeat it

BY MICHAEL DIXON

WHEN breakfasting in hotels have you ever seen men, typically eged in their 40s, finish eating a soft-boiled egg and then turn it tha other way up and drive their spoon through the hottom of it?

I have seen this bappen several times, and know why it is done. It is a ritual learned in childhood from a poem published, no douht among other places, in a Wonder Book for Boys during the *1930s*. The opening verse read (I think):

Oh never leave your eggshells
unbroken io the cup,
But think of us poor sailormen
and always smash them up.
For witches come and find them
and sail them out to sea,
And make a lot of misery
for mariners like me.

It did not take me long to see that the deviltry complained of threatened more than sailors. To a child who had alao read Kipling's *Big Steomers*—"And if anyone hinders our coming you'll starve!"—it was clear that the ritual protected the mainspring of the British ecooomy.

But I was unable to discharge this patriotic duty. Boiled eggs made me ill, and my parents would not have approved of my going around poleaxing other people's hreakfasts. Of course, I now wish I had done ao regardless. It might have made all the difference.

Fortunately, while the Jobs Column has heen on holiday, there has come to mind a possible way of making amends. It is to ask readers' aid in trying to avert further disastar hy joining in a ritual to protect the line managers directly in charge of activities which might keep Britain aolvent from the witch-doctery of personnel hoffins.

The unnecessary work and coat imposed by these mystics of manpower on managers notionally employed to minimise both, have heen the subject of several complaints lately. The first, from line manager Philip Virgo (MA, MSc), came in June. His topic was personnel departments' fixation on recruiting people "whose sole talent is the ahility to pass exams."

Of those ao talented, he ohserved, the best are retained hy the education system to train subsequent generations to pass exams. He went on:

"The rest are recruited on hehalf of us managers. When we find they have no otber talent we pass them back to personnel, who employ them in writing job-descriptions, a task for which their lack of imagination and their docility appears, diastronsly, to sult them uniquely. Here they write a requirement for GCE Advanced levels, dagrees and professional qualifications into the most menial of tasks, thus blocking off our sources of nongraduate recruitment . . ."

Mr. Virgo's lament was straightway taken up by seven or eight others, aeveral of whom enclosed examples of the qualification-ridden mentality of the moderu manpower magus. But, stupefying as some of them were, those examples have been outclassad hy another example of the said witch-doctery that came to light the other day when some young people from Clay Cross applied for roadmenders' jobs heing advertised hy Derbyshire County Council at *wages of ahout £62 a week*.

Rejected

These applicants were turned down flat. Although they had received a year's experience of construction work under the Government's Youth Opportunities Programme, they lacked the 16-plus exam results which were specified as necessary. It is a pity that the lads undertook their year's relevant training hefore applying to become roadmenders, because tha council has only recently decided that those exam reaults are essential to the trimming of hedges and digging of holes in Derbyshire.

The council's first explanation —delivered while I was away— was to the effect that the exam requirements would ensure that the new roadmenders were more intelligent than those of old, wbich would in turn ensure that they did the joh better.

I must confess that this was a complete revelation to me. Believe it or not, aftar a dozen years of heing employed to find out ahout educational processes, I was still under the impression that the world's best experts remained a long way short nf agreeing on what, if anything, the word "intelligence" means.

Yet *right* here in *Derbyshire* was an anthority wblch had determined not only what intelligence is, but also that it haa a necessary connection hoth with possession of 16-plus exam certificates and with the superior mending of roads. So on my return I telephoned the council, eager to learu the evidence on which it had reached this portantous conclusion.

By the time I rang, however, the council's mechanism for dealing with the Press had evidently been reprogrammed. It explained that the reason for the exam reqnirement was aimply practical. The *roads* of Derhyshire henceforth need *thoroughly modern menders* capahle of "utilising sophisticated equipment" and, in some instances, of promotion to the suparvision of the utilisation. The sophisticated equipment in the case, I discovered, was big digging machines and the like.

Forestalled

So I said that *those* were surely less sophisticated than computers, and was about to add that it had been proved that *people* with no 16-plus results could work well as computer programmers and operators. But the council'a spokesman forstalled me.

Derbyshire's roadmenders no longer just mend roads, I learned. Oh *no*! They must qualify by attending technical college over two years and gaining the Roadworks Craft Certificate of the City and Guilds of London Institute. The 16-plus exam results are required as a certificate of fitness to study for the certificate.

But when I telephoned the City and Guilds Institute, it said it did not stipulate any educational requirement for entry to that course. How students were admitted depended on each individual technical college, "hut in practice, *if your employer* wants you to take the course, *then the college should admit* you."

It therefore seems proven that the perpetrator of this stroke of unwarrantahle officiousness is essentially some hureaucrat in the county council who, if not faceless, is demonstrahly senseless. And, as I know from the examples sent by the correspondents mentioned earlier, Derbyshire and its dwellers are not alone in being afflicted by such fools. They have stowed themselvea away in organisations everywhere, and are making a lot of misery for managers, not —thank Heaven—like me.

Hence the need for a new witch-inhibiting ritual. What I *suggest* is that any line manager anywhere ahould, on *coming across documentary* evidence of such bedevilment in his or her nrganisation, ritually send it to me—anonymously if preferred — together with the name and telephone number of the persons evidently responsible. Then the Joba Column will ritually ring them up and ask them whether and, if so, wby they hava committed the alleged offence against their colleagues and by extension, their customers.

I look forward to hearing from you, with a vengeance.

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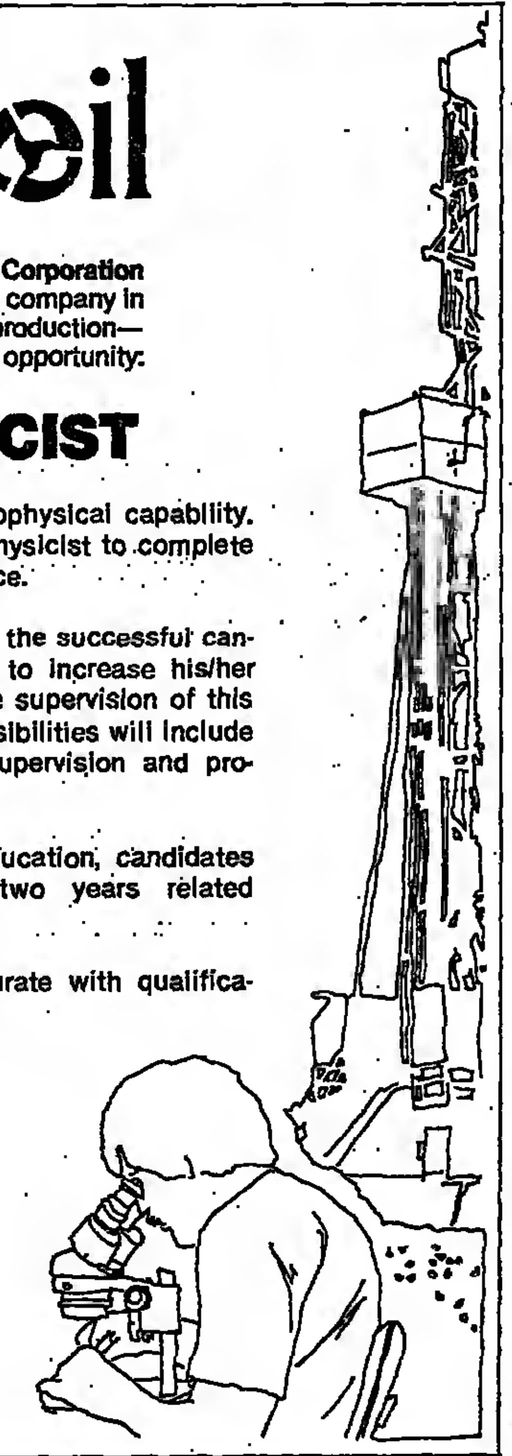

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Aged: 23-32 Location: City of London

Have you had to tackle complex unstructured problems requiring you to:-
- identify the important elements in a problem,
- provide creative yet practical ideas for solutions,
- effectively communicate your ideas to senior management to ensure successful implementation?

We wish to recruit at least two people with this experience for our Operational Research Group.
- The O.R. group in NatWest tackles challenging assignments involving high level client contact in all areas of the Bank's activities.
- We are interested in you if you have a high level of ability, drive and enthusiasm, and wish to develop your skills as a member of a respected and lively O.R. Group.
- You must be highly numerate with a good degree and/or a professional qualification.
- At least 2 years relevant practical experience is required, not necessarily in O.R.

We are offering attractive salaries in the range £8,000-£11,000, according to qualifications and experience.

Plus:
- profit sharing bonus
- low cost mortgage
- non-contributory pension scheme
- other substantial benefits

Career prospects within the O.R. Group are excellent, with salary potential exceeding £20,000 p.a.

Please send a typed C.V. with concise details of age, experience, qualifications, and salary progression, and explaining why you are interested in joining us, to: Philip Wise, Manager of the O.R. Group, National Westminster Bank, 13th Floor, Drapers Gardens, 12 Throgmorton Ave., London, EC2P 2ES.

National Westminster Bank

Accountants
mid/late 20's
Cape Town

Our Client is the substantial South African subsidiary of a large, profitable and expanding British manufacturing Group. The subsidiary has a Cape Town H/Q and manufacturing facilities and is organised on a divisional basis. They now wish to recruit two accountants whose responsibilities will be the review of systems across all functions of the business, the formulation and introduction of accounting systems, the assessment of accounting and other business equipment and its application to the Company and internal audit. There will be limited business travel by air within South Africa (6 weeks approx).

A commencing salary in the range of R16,000-R19,000 is envisaged. In South Africa the Rand purchases about the same as the Pound does in Britain.

Applicants should be Chartered Accountants aged 25 or over preferably with audit experience of manufacturing industry. A keen interest in and desire to gain experience of systems in a manufacturing company is important. Interviews will be conducted in London.

Please write in confidence to B. H. Mason at 78 Wigmore Street, London W1H 9DQ, with career and personal details, quoting 6022/FT. Both men and women may apply.

John Courtis and Partners

BANKING

Lending Officers c. $50,000
Substantial Middle Eastern banking institution with considerable growth plans seeks several experienced Account Officers to assist in its credit/business development programme.

Financial A/CS Assistant £8,000 +
Good experience of financial accounting and management reporting is essential for this key role with a growth-oriented international bank.

Credit Officers £8,000-£11,000
Two of our major banking clients require fully trained Credit Analysts to join specific lending teams. In addition to the normal analytical duties, these positions offer opportunities for involvement in the bank's marketing plans.

Loan Administrator c. £7,000+
Newly established European bank requires an experienced individual to run the administration of its loan portfolio – additionally some background in bank accounting would be an advantage.

Loan Syndications Assistant £8,000-£10,000
Well respected subsidiary of international bank seeks an Assistant to the Syndications Manager. A grounding in the mechanics of loan syndication and a credit background are essential requirements for this attractive opportunity.

Spot Cable Dealer c. £16,000
Progressive US Bank requires a fully experienced Cable dealer, 25-29, to join its active and successful dealing room.

Contact Tom Kollinsky in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01-248 3812 3 4 5

Merchant Banking
Corporate Finance

Samuel Montagu & Co. Limited has a vacancy for a junior executive in its corporate finance division. The successful applicant will probably be between 24 and 26, with an accountancy or legal background.

Apply in writing (with curriculum vitae) to:
B. K. Barber, Personnel Director.

Samuel Montagu & Co. Limited
114 Old Broad Street, London, EC2P 2HY.

PROJECT MANAGER

experienced in solid handling and design of marine terminals for loading and unloading coal is required by an international contracting company based in Milan, Italy, where the successful applicant will be located.
Salary, which is negotiable, will be commensurate with experience and qualifications. Qualified candidates are invited to submit written resumes of educational background, qualifications and experience to:

The Managing Director/
Company Secretary,
MICOPERI LIMITED,
17/19 Jacobs Well Mews,
London W1H 5PD.

FX DEALERS	£ negotiable
BANKING LOANS OFFICERS	£ negotiable
LENDING OFFICERS	to £14,000
BANKING MANAGER AIB to 38	c. £14,000
CREDIT ANALYSTS	to £8,000
CHARGED SECURITIES/LOANS ADMINISTRATION	to £7,000
B of E RETURNS CLERKS	to £6,000

Please contact Mike Pope 01-236 0731

Q. S. Banking
Recruitment Consultants
30-31 QUEEN STREET, LONDON EC4

Group Controller
(FINANCE & OPERATIONS)
to £18,000 + car
NOTTINGHAM

A qualified Accountant with strength of personality and breadth of commercial experience, is required to join the senior management team of this highly successful listed group, recognized and respected for its quality products. The organization has generated tremendous growth over the last decade to become a market leader and continues to return record profits.

The initial brief of the Controller will be to examine the needs of the group companies – presently at varying stages of development of computerisation – to take overall financial control and satisfy the requirements of the Board at the same time allowing the autonomy and entrepreneurial spirit to prevail within the subsidiaries.

In addition to the statutory & monthly accounting, budgetary control and planning aspects, the successful candidate will work closely with the Group M.D. on various projects including acquisitions and feasibility studies, taking a front line role in the overall strategy and commercial management of the group.

An early directorship is expected.

Interested candidates should apply in confidence to:

Sheldrick, Sedgwick & Goodyer
93-94 Chancery Lane, London WC2A 1DT 01-242 5127
Senior accountancy & financial management selection

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

New Venture Accountant

'The Orient Express'
Central London, c.£9,000 + bonus

Reintroducing the 'Orient Express' service from London to Venice to recreate an era of luxury class travel and haute cuisine is an exciting project. This is one of a number of projects that form a diversification programme for our client, a leading container leasing group. Reporting to the Chief Accountant, the successful candidate will manage a small team and take responsibility for project accounting functions stemming from U.K., U.S.A., France and Italy. Future development will involve similar duties for other group activities. Applicants will be aged under 30, qualified ACA or ACCA, with 2 years' post qualification experience in industry. Knowledge of the travel business would be an advantage but is not essential. The company is young and energetic and requires an assertive personality to take control of events.

N.P.S. Lilley, Ref: 22220/FT. Male or female candidates should telephone in confidence for a Personel History Form to: LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Financial Controller
Professional £11,500

Our client is a substantial firm of Solicitors with an expanding practice near the Law Courts. They wish to appoint a Financial Controller who will be responsible to the Finance Partner for the development and operation of the Accounts section including a full management information system and the efficient operation of their computer.

Applicants should be aged over 29 and have a professional qualification. They must have had previous experience of the management of an accounting section including cash flow control. Additionally, experience of a professional partnership, taxation or data processing would be useful but is not essential.

Emoluments include an attractive salary, a contributory pension scheme, BUPA etc. This is a demanding opportunity for a qualified accountant to make a major contribution to the development of the practice.

This appointment is open to both male and female candidates who should send adequate particulars *initially, in confidence*, to R. I. Beard:

Spicer and Pegler
Management Consultants,
St Mary Axe House,
56-60 St Mary Axe, London EC3A 8BJ.

Two vacancies have arisen at the London Office of one of the world's foremost technologically-orientated multinational companies, whose overseas activities are expanding and where there are excellent opportunities for contract administration on an international level.

Contract Administration Manager
about £18,000 plus car

The senior post requires a person of wide experience in international contracting (particularly with governments and their agencies), the ideal candidate being someone offering a legal and technical background and with a strong commercial aptitude, aged at least 35 years. The person appointed will be responsible for the management of this function throughout the company and a number of its UK affiliates.

Contract Administrator

The other post, which would suit a younger person, requires a similar professional background and experience, but with emphasis on the consumer electronics market and, although based at the London Office, would initially require substantial activity at one of the Company's units in Essex.

Both posts should appeal to candidates who wish to see their careers developing in the direction of general management, either at home or overseas. Conditions of employment are excellent. The Company offers a lively business environment to dynamic self-starters.

Applications, which will be treated with strictest confidence, should be made by letter or telephone to Chambers & Partners, Recruitment Consultants, 74 Long Lane, London, EC1. Tel: 01-606 9371

British Steel Corporation

Manager, Pensions Investments

With an investment of over £1,000m, the Corporation's Pension Fund is one of the largest in the country.

Its Investment Manager has wide discretion both in administering the portfolio and in formulating the investment policy.

This senior and responsible position is now vacant. Applicants should have had a successful record as one of the members of a top management team of a similar sized fund or in controlling a smaller fund. He/she should have an appropriate professional qualification. Experience should cover investments at home and overseas, in both Stock Exchange and property fields. Extensive personal knowledge of and contact with stockbrokers, banks and property specialists as well as consulting actuaries and investment managers of other funds will be assumed.

The importance of the appointment will be reflected in the terms offered to the successful candidate.

Applicants should write, quoting reference HO171, to:
The Director, Personnel Development & Services
BRITISH STEEL CORPORATION
33 Grosvenor Place, London, SW1X 7JG

INTERNATIONAL BANK
ACCOUNTING
£5,000 — £8,000

A number of our busily expanding international bank clients seek young people to assist with various aspects of accounting/control, particularly

MANAGEMENT INFO./PROJECT ANALYSIS
BANK OF ENGLAND RETURNS
INVESTMENT ACCOUNTING

Opportunities occur at all levels each extending first class career prospects . . . plus all the usual benefits.

Please telephone Ann Costello

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1.
01-242 5841

INSTITUTIONAL DEALER
AUSTRALIA

WALLACE H. SMITH has a vacancy in its London Office for a Dealer to service its International broking and Institutional Clients. Previous experience and a knowledge of the Australian Markets essential.

Applications in confidence to:
H. A. Clive
WALLACE H. SMITH
Regina House, 5, Queen Street, London EC4N 1SP

Eurobond Issues
mid-20s up to £12,000 + car

A market leader in the field of merchant banking with an excellent reputation in the capital markets as an issuing and dealing house, seeks to appoint an Assistant Manager to join its Eurobond New-Issue department. The successful applicant will join a small, highly professional team and will be rapidly expected to assume a high degree of responsibility in this area. The position entails world wide travel and there is excellent scope for progress. Candidates, aged between 25 and 27, must have experience, in-depth, of issue procedures gained either in a merchant bank or legal context. Salary will be negotiable up to £12,000 with a car and all normal benefits associated with banking. Location: City.

Ref: AA51/7446/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services. Men and women may apply.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

Financial Controller

Sussex

c£14,000+car

The V.P. Finance says "I want a professional who is a people's person."

Tight deadlines, detailed reporting, strict controls, but a fair degree of autonomy is the style of this UK and European marketing subsidiary of a $1½ billion Corporation. Turnover here is $12 million and growing fast, particularly in continental Europe. About 10% travel is needed to exercise control overseas and maintain contact with the US.

A qualified accountant, perhaps between 35 and 40 years of age, with thorough experience of accounting in an international market and of US standards and requirements, is sought. A highly developed commercial sense is also needed to assist the UK Director in running the business.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A. C. Crompton quoting reference 861/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

WELCOME TO CANADA

Interested in gaining direct access to CANADIAN recreational and investment real estate *market?*
We are searching for successful representatives in Europe.
We offer 18 years of CANADIAN experience, and excellent bank references.
Our inventory and generous commission arrangement allows you to start selling, immediately. *Telex essential.*
Real estate background not necessary. We will train.
Please write in confidence, giving complete background and telephone number to:

Canadian Sales Representative
Station "K," Box 53
Toronto, Ontario,
Canada, M4P 2G1.

Our president will be in Europe end of September for interviews.

KLEINWORT, BENSON
Merchant Bankers

Two years ago our North American Banking Department recruited a young man to join its *small team of account officers.* His qualifications included three good 'A' levels, two years' valuable experience in the international division of a large bank in London, and a willingness to work hard and use his initiative.

He has now become one of three representatives in our Chicago office.

We are consequently looking for a young man or woman to take his place in London. If you think you could fill the gap please apply in writing giving full details of your career to date to:

Miss J.A. Emptage, Personnel Officer,
Kleinwort, Benson Limited, P.O. Box 560,
20 Fenchurch Street, London EC3P 3DB.

Commencing salary would be negotiable and our package of benefits includes subsidised mortgage, non-contributory pension scheme, free life assurance and BUPA, luncheon vouchers and staff restaurant.

Young Engineers
with senior management potential

Each year we appoint 2 or 3 Mechanical, Chemical or Electrical Engineers who have the ability and desire to reach senior management positions in the general commercial area of our international business.

We recruit mainly at Ph.D. and M.Sc. level, but also at first degree provided you have some exposure to the use of computers.

Your first appointment will be in our Distribution Development Division in London. Your work will be concerned with project management of projects in areas such as: new equipment and methods in both plant and transport fields: automation of control and data generation; network optimisation and logistic strategy.

Following this, you will be assigned to an operating company, probably overseas in a territory such as Australia, France, Hong Kong, The Oman or Brasil. Here you will have a real opportunity to acquire early managerial experience, while at the same time making use of your engineering background.

Typical of the wide range of projects are the design and evaluation of a remodel of a lubricants blending plant, and the planning and implementation of seatainer unloading facilities. In under a year you could then, for example, become the Transport Operations and Product Movements Manager at an overseas terminal, working closely with the marketing function and deriving extensive man management experience. During your first years with the company you will be encouraged to acquire Chartered Engineer status.

These initial assignments are intended to provide the men and women we appoint with the starting point for more general development in a variety of business areas, leading to senior management positions.

If the considerable career scope we offer matches your aspirations and abilities, please write for an application form or send a c.v. to:

Shell International Petroleum Company Limited, Recruitment Division (FT), PNEL/23, Shell Centre, London SE1 7NA.

Shell

AUSTRALIA—BROKER/MANAGER

FIXED-INCOME SECURITIES AND MONEY MARKET INSTRUMENTS

M.M.D.-BUTLER GROUP, Australia's leading interbank and corporate money broker, seeks applications from persons qualified to manage their Queensland State operations from a small but well-established office in Brisbane. The successful applicant must be a proven self starter and have a good *knowledge of money markets* and international *corporate* financing techniques.

Salary will be negotiable, but total package will include car, non-contributory superannuation, and profit-sharing schemes.

Please forward full particulars of qualifications and experience to:

Mr. John Webb, Managing Director, M.M.D.-BUTLER GROUP, 8th Floor, Adelaide House, London Bridge, London, EC4R 9HN.

Treasury Systems Development

A new project management appointment

City

c.£12,000

+ banking fringe benefits incl. 5% mortgage

This position offers an excellent opportunity for an ambitious Banking systems professional with a proven record of FX/MM Systems implementation.

For a major international investment Bank providing a comprehensive range of financial and investment services to *governments, the public sector and corporations throughout the* world.

The person appointed will be responsible to senior management for planning and controlling the activities of a systems project team through all stages of project development. The project objective is to install a range of computer-based systems for the Foreign Exchange and Money Market functions.

Our client invites applications from candidates aged 27-35, of sound academic background up to honours degree standard, who have systems experience in the financial sector, including a *substantial period of systems* design and supervisory responsibility. Knowledge of the larger range of IBM equipment operating in a telecommunications environment is also desirable.

This is an excellent opportunity for a business systems professional, possibly the No. 2 in a successful Treasury computer-based systems team, or for someone who has successfully installed a batch processing Treasury system and is keen to be involved in the opportunities available in current systems technology.

Commensurate with the importance of the position a starting salary around £12,000 is envisaged together with excellent fringe *benefits including a preferential mortgage scheme.*

TO APPLY
Please send a CV or telephone for an application form to JOHN KITCHEN, Executive Selection Division, quoting reference G857. Applications are invited from either sex.

BIS Applied Systems Limited
York House, 199 Westminster Bridge Road
London SE1 7UT
Telephone 01-633 0866

BIS Applied Systems

THE PARKWEST MANAGEMENT COMPANY
ACCOUNTANT
£10,000+

THE COMPANY comprises some of the most successful organisations in the highly competitive property development and trading field—and is related to a diversified multinational group.

THE POSITION reports direct to the Financial Controller and covers all aspects of management and financial accounting, plus the provision of accurate information to strict deadlines.

THE PERSON must be a qualified accountant with some relevant post qualification experience. Aged 26+, the successful candidate will have the personal drive and leadership, technical ability plus character to progress in a demanding and fast-moving environment.

THE PROSPECTS full scope to reach the highest levels of management.

Write, giving full career and personal details to: **The Managing Director, Park West Management Co., Kendal St., Marble Arch, London, W.2.**

PARKWEST

CURRICULA VITAE

Professional C.V. writing and production. 40 printed Résumés from £25; 20 full C.V.s, bound, from £50.

Ring 01-836 4561 or write to:
CURRICULA VITAE LTD.,
Freepost
London WC2E 7BR

THE WIGGINS GROUP

has a record of over sixty years in the building industry and is expanding steadily as a public company of high reputation and commercial success.

CONSTRUCTION DIRECTOR

London area **circa £20,000 + car**

An experienced Construction Director will be invited to join the Main Board. Aged probably forty to fifty, the Director will undertake the supervision and control of a division that employs over 500 and has a turnover in excess of £12m.

To assist our clients to fill this appointment we shall seek undoubted professionalism and enthusiasm. Each is of importance to the Group's success and so provides the successful candidate with exceptional opportunities for career and financial advancement. The initial salary, within the range quoted, will be offered in accordance with his/her qualifications and experience.

Please telephone TODAY or write with full details for a Career History form to:

D. Bryan Andrews Associates,
Management Selection,
St Martins House, 29 Ludgate Hill,
London EC4M 7BQ. Tel: 01-248 8033.

Financial Manager
Brussels

The regional headquarters of a major U.S. multinational company seeks a qualified accountant to join a small team to appraise and monitor large telecommunication projects in Africa and the Middle East.

The prime responsibilities of the team are to analyse new project proposals to ensure that the financial projections, risks and opportunities are properly evaluated, and to monitor the financial and operating performance of existing projects.

Several years of experience with a medium to large international organisation are required, coupled with an imaginative, mature and enthusiastic approach. The preferred age is 28 to 35.

The position is Brussels based but will involve extensive travel, mainly in Africa and the Middle East.

Ref: K7002/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they should not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Management Accountant

Export Marketing
West Country, c.£8,000

The marketing division of a major group has recently been reorganised. A new position is now in demand for a young accountant to take charge of the accounting for its export business. This position will provide excellent experience in exporting to seventy countries, computerised budgeting and reporting using a sophisticated model leading eventually to a fully integrated system. Candidates should be qualified ACA or ACMA. Age is immaterial but candidates should be systems minded, matched to sound commercial awareness. Prospects are excellent; therefore drive and ambition are essential. Full relocation will be paid to a highly attractive rural area.

J.H.E. Davies. Ref: 37189/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **CARDIFF: 0222-384024,** *2nd floor, St. David's House, Wood Street, CF1 1ES.*

INTERNATIONAL AUDITORS

The European Internal Audit Department of a major U.S. international company has openings for young auditors (under 30) to conduct financial and operational review of the Group's European operations.

Position requirements

- Studies in accounting and/or qualified accountant.
- 2 years' experience with a major international audit firm or equivalent experience on the internal audit staff of a multinational corporation.
- Fluency in English and excellent working knowledge of either French, German or Italian.
- Because considerable European travel is involved, the potential work location to be agreed with the successful candidates.

If you come close to the above requirements, please write in confidence, giving full career/personal details and salary requirements to:

Internal Audit Manager — Europe
c/o Abex International S.A.
55, Chemin Moise-Duboule
1209 Geneva, Switzerland

Investment Management

Financial Institution — Well into five figures

This well known financial institution with substantial investments in property, fixed *interest securities and UK and overseas* equities, requires an outstanding man or woman. The ideal *candidate* will be a *graduate* economist or qualified accountant, banker, or actuary, aged 30 to 40 with a *minimum of 5* years' broadly based investment management experience gained with an investment trust, life office, pension fund or merchant bank. This post offers good career opportunities for someone with high personal qualities and initiative, and the ability to put forward new ideas. Salary is negotiable well into five figures, and other benefits include house purchase facilities and an attractive pension plan. The post will be based in an attractive part of Scotland and generous assistance is *available with relocation.*

Ref: AA50/7447/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

STOCKBROKERS

London firm of stockbrokers require an assistant, age 23-30, for bank investment department. Previous experience of giving written advice essential.

Write Box A7294, Financial Times, 10 Cannon Street, EC4P 4BY.

APPOINTMENTS ADVERTISING
Rate £19.50 per single column centimetre

Commercial Lawyer

c.£12,000 plus car

Searle is an international research based pharmaceutical company with a European regional office located at High Wycombe, Buckinghamshire. Continued growth has led to tha creation of a new position reporting to the Company Solicitor — European Region.

We wish to appoint an able young Commarcial Lawyer (male or female) to assist in the provision of a comprehensive legal service to all Searle businesses in Europe, Africa and the Middle East. The position will involve overseas travel and at snme perind an assignment to the Company's headquarters near Chicago.

Ideally candidates should have had at least two years post qualification commercial experience and be fluent in either French or German. International experience would be particularly useful.

Starting salary will be in the region of £12,000 plus car and our attractive fringe benefits package including comprehensive relocation assistance.

Please write, enclosing a full resume to
J N Williams, Personnel Manager,
G D Searle & Co Limited,
Lane End Road,
High Wycombe,
Bucks HP12 4HL.

SEARLE

Finance Director

West Country **around £14,000+car**

Our client is an electrical and mechanical contracting company (T/O c £8M), operating in the U.K. and overseas and part of a major and successful U.K. Group. Its growth during the '70's has been impressive and to keep the momentum going a new post of Finance Director is being created to help the Managing Director to explore new approaches for developing the business further, especially overseas. The successful candidate will be responsible for all financial aspects of the business plan and the professional oversight of financial control procedures in the operating sub divisions. He/she must be a qualified accountant, aged 30-35, with experience of the contracting industry both in the U.K. and overseas and preferably some formal business training. Ref. 1168/FT Apply to R. P. CARPENTER, FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter
Selection Consultants

Rare blend of general and accountancy management

General Manager Finance

A service organisation requires a Chartered Accountant to run and further develop an already profitable and rapidly growing Division. In addition to experience of a wide range of accounting activities, preferably including a period in industry or commerce, the key requirements are:

★ Commercial awareness and imagination ★ Pragmatic approach
★ Lively communication abilities ★ General management potential
★ Aged 32-40

The location is Greater London and relocation assistance is available. Remuneration of at least £15,000+car+benefits.

For an initial talk about this career opportunity telephone Peter Southgate:

JSP Selection Consultants
10 Haymarket, London SW1Y 4BP. Telephone 01-839 4953

Corporate Finance Stockbroking

Our client, a leading firm nf Stockbrokers, seeks B Corporale Finance Executive to augmeni a small but extremely active department.

Aged 28-40, the successful candidate will probably be a qualified solicitor from a large practice with considerable knowledge of corporate law and the ability to commnnicate with clients at the highest level.

The Executive will be involved in B very wide range of corporate finance activities and will be expected lo attend most meetings witb the corporate clients of the firm. Marketing the firm's services and the development of new business are also nf paramount importance.

Salary is entirely negotiable and will not be a limiting factor for the right candidate. Prospects nf early partnership are excellent.

Please contact Anthony Innes who will treat all enquiries in the strictest confidence.

Stephens Associates
International Recruitment Consultants
35 Dover Street, London W1X 3RA. 01-493 0617

FINANCIAL DIRECTOR

Central Africa **Age 35-50**

The Group
A substantial African based group whose interests include plantations, aviation, international trading and a Christian Trust.

The Position
Responsible for the total financial control of the group, involving extensive management reorganisation and project development.

The Person
A qualified accountant, with basic French and some business experience, who will be attracted to the challenge of a varied and demanding position.

The Benefits
A very attractive package with full family allowances is envisaged.

Please write to or telephone Ian Willis,
Ian Willis Associates Limited
110 Jermyn Street, London SW1Y 6HB
Telephone 01-839 7577/01-930 3209

IAN WILLIS ASSOCIATES LTD.
Executive Selection Consultants

MANUFACTURERS HANOVER LIMITED

requires an

INVESTMENT MANAGER

to join its rapidly expanding portfolio management unit. Experience of managing fixed income multi-currency portfolios is required.

The position offers responsibility and opportunities to pursue a challenging career.

Salary is negotiable and the bank provides an excellent benefits package.

Handwritten applications including details of previous experience should be sent to Mr. J. E. W. Bamford, Assistant General Manager, 8 Princes Street, London EC2P 2EN.

Management Accounting

A multi-million pound t/o division of a major industrial group mnnitors the financial affairs of its branch offices from a small, compact H.Q. situated to the west nf London. Internal promotion and increasing sophisticatinn have created the need to augment the team.

Divisional Management Accountant c£11,500

This post calls for a qualified accountant aged 26-35 with industrial accounting management experience gained in a computerised environment nf a larga industrial complex. The personality to influence non financial types and tha ability to communicate affectively at seninr levels are vital attributes. The role is demanding, varied and interesting and includes the preparation of statutory accounts, tha compiling of profit projectinns and tha preparatinn of financial management informatinn using modern accounting techniques.

Please write, in confidence, with full career details to L. M. G. O'HARE, MANN MANAGEMENT, 124 New Bond Street, London W.1.

MANN MANAGEMENT

Laing & Cruickshank

(incorporating Powell Popham Dawes & Co.)

GILT-EDGED SALES EXECUTIVE

We require an additional gilt-edged sales executive with experience of dealing with the needs of pension funds, insurance companies and other long term investors. An excellent opportunity exists for the right person who is prepared to work in an environment where rewards are closely matched to effort, and who can make full use of our established economic research.

Replies in confidence to:
M. S. Evans,
Laing & Cruickshank, The Stock Exchange,
London EC2N 1HA

Appointments in new London Branch of a prime European Bank

FOREIGN EXCHANGE/ DEPOSITS DEALER £15,000
To assist the Chief Oealer as No. 2. 4/5 years' experience of major currencies and deposits essential.

FOREIGN EXCHANGE DEALER £10,000-£12,000
With 2/3 years' experience to join as No. 3 in the same dealing operation.

INTERNAL AUDITOR £10,000 plus
Ideally with several years in International bank auditing and reporting directly to Head Office. The ability to speak and write German an advantage.

EUROBOND DEALER c. £10,000
With 2 years' minimum experience of primary and secondary market dealing, F.R.N's and straights in all major currencies, to assist the Chief Trader. Fluent German will be useful.

Excellent benefits and conditions are offered, as is a progressive career structure.

LJC Banking Appointments
01-283 9853—for an immediate appointment

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"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 25th SEPTEMBER 1980

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 25th September, 1980, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £19.50 per single column centimetre. Special positions are available by arrangement at premium rate of £22.00 per s.c.c. Copy date is Friday, 19th September. For further details, including reprints of previous features, please telephone 01-248 4601 or 4864 (direct lines).

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PUBLIC NOTICES

METROPOLITAN BOROUGH OF WIRRAL
£2m Bills issued yesterday due 10th December 1980 at 14¼%. Total applications £18m. Total outstanding £2m.

SOMERSET C.C.
£5m Bills issued 10th September at 14¼% to mature 10th December 1980. Applications £39m. Outstanding £10m.

BURNLEY BOROUGH COUNCIL
£425,000 Bills issued 10th September 1980 at a rate of 14 49/64ths to mature 10th December 1980. Total applications were 2,975,000 and these are the only Bills outstanding.

SUFFOLK COUNTY COUNCIL
£5,000,000 issued 9th September 1980 at a rate of 14 49/64ths to mature 9th December 1980. Total applications were 48,500,000, there are 15,000,000 Bills outstanding.

NEWPORT BOROUGH COUNCIL
£1,000,000 Bills issued 10th September 1980 at a rate of 14 49/64ths to mature 10th December 1980. Total applications were 5,000,000 and these are the only Bills outstanding.

BOROUGH OF IPSWICH
£680,000 Bills issued 9th September 1980 at a rate of 14 49/64ths to mature on 9th December 1980. Total applications were 6,120,000 and these are the only Bills outstanding.

BIRMINGHAM COUNCIL BILLS
£7.5m 91 day Bills issued 11th September 1980 mature 11th December 1980. Applications totalled £79m. Minimum accepted price £96.33. Average rate of discount £14.72%. Total Bills outstanding £23.25m.

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Amsterdam, September 2, 1980

NOTICE OF PURCHASE
THE BOWATER CORPORATION LIMITED
9¼% BONDS DUE 15th JULY, 1986

NOTICE IS HEREBY GIVEN to bondholders that U.S.$2,500,000 nominal amount of the above issue was purchased in the market during the twelve month period ended 15th July, 1980, in respect of the purchase periods to 15th July, 1980 and 15th July, 1981.

THE BOWATER CORPORATION LIMITED
Bowater House,
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11th September, 1980.

LEGAL NOTICES

IN THE MATTER OF
THE COMPANIES ACT, 1948
AND IN THE MATTER OF
LONDON RADIO PRODUCTIONS LTD.
Registered Office: 33 Cliffords Inn, Fetter Lane, London EC4A 1AH

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at 33 Cliffords Inn, Fetter Lane, London EC4, on 23rd September 1980 at 11.30 a.m. for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 14th day of August 1980.

By Order of the Board,
R. STUART CLARKE,
Director.

WORLD STOCK MARKETS

Midway gain of 4 on Wall St.

AFTER EXTENDING Tuesday's rally at the outset yesterday, Wall Street had a mid-morning downturn before prices firmed again around mid-session.

Easing of shares from opening levels had been prompted by renewed worries about inflation as Precious Metal prices rebounded after Tuesday's taking, but Gold Bullion was declining by mid-session.

The Dow Jones Industrial Average was 4.01 up at 938.74 at 1 pm, after an initial rise to 938.48 and a decline to 934.47 at oooo. The NYSE All Common Index regained 50 cents more to $72.14 and advances exceeded falls by a two-to-one ratio. Turnover was heavy, amounting to 36.65m shares, well above the 30.91m recorded at 1 pm the previous day.

News that consumer credit declined again in July was taken as mildly positive, indicating consumers were continuing to reduce debt and might soon begin spending again.

General Motors, which on Tuesday announced changes in top management to take effect next year, gained [illegible] to $54 3/8.

Oils were strong. Exxon rose 1 3/8 to $71 1/4, active Texaco 3/4 to $37 1/2, active Mobil 1 3/4 to $68 1/4, Standard Oil (Indiana) 3/4 to $57 1/2 and Superior Oil 3 1/2 to $194. Indiana Standard has found oil in Western North Dakota. Superior Oil also has a stake in the find.

Marley jumped 5 1/4 to $34 1/4. It is holding preliminary merger talks with a party it did not name.

Bunker Ramo put on 3/4 to $36 1/4 after a 2 1/4 point rise on Tuesday. The company said it had talks with several larger companies about a merger but nothing developed.

H. J. Heinz added 1/2 at $45 1/2 and Quaker Oats 1/4 at $30 1/4. Both raised their dividends.

The American SE Market Value Index advanced 3.48 to 334.92 at 1 pm. Volume 5.13m shares (4.88m).

Closing prices for North America were not available for this edition.

Canada

Golds rebounded after Tuesday's setback on profit-taking, while most other sectors in Canada also gained ground in busy morning trading. The Toronto Composite Index rose 17.8 to a record 2,306.6 at midday, while the Gold shares index climbed 187.4 to 6,235.3. Oil and Gas added 25.3 at 4,703.5 and Metals and Minerals 54.1 at 2,394.5.

Hong Kong

The rally which began in the late afternoon on Tuesday, developed into a sharp upsurge yesterday in very heavy trading. The Hang Seng index rebounded 41.41 to 1,211.13, virtually returning to last Friday's closing level.

Turnover on the four exchanges expanded to HK$542.55m from the previous day's total of HK$501.55m.

Dealers said the market had fully absorbed the rise in local Prime Rate, announced at the weekend, and operators were buying back from oversold positions held earlier in the week.

Cheung Kong advanced HK$1.30 to HK$27.00, Hutchison Whampoa 70 cents to HK$12.40, Jardine Matheson HK$1.10 to HK$21.40, HK Land 70 cents to HK$17.00, HK Bank 50 cents to HK$17.20, HK Wharf HK$3 to HK$94 and Hang Seng Bank HK$4 to HK$135.

Jardine Securities rose sharply ahead of final results, announced mid-afternoon, and continued to gain thereafter, closing HK$1.50 up at HK$12.90 on higher profits and a bonus Warrant for every two shares held.

Tokyo

Aided by strong selective foreign buying, the market showed a firming tendency, with Light Electricals, Precision Instruments and some speculatives leading the improvement. One broker said that major oil producing countries like Saudi Arabia had entered the market.

There was a fairly active trade of 350m shares (410m), while the Nikkei-Dow Jones Average gained 18.23 to 6,956.21 and the Tokyo SE index 1.12 to 481.07.

Sony rose Y80 to Y2,750, TDK Electronics Y60 to Y2,860, Victor Japan Y30 to Y1,980, Canon Y9 to Y659, Nittetsu Mining Y12 to Y642, Tokyo Electric Power Y25 to Y934 and Fuji Photo Film Y12 to Y674.

A few Oils eased afresh on profit-taking, but Mitsubishi Oil moved ahead Y32 to Y492 on reports that its subsidiary and Elf Gabon had struck oil off Gabon, Africa.

Some Constructions and Non-ferrous Metals were higher, with Ando Construction up to Y592 on a daily limit gain of Y50, while among other speculatives, Nissan Diesel and Shinko Trading also advanced.

Trading Houses provided a mainly easier sector, with Mitsubishi notable for a decline of Y12 at Y684.

Germany

The general trend remained easier, but a few issues performed well and the Commerzbank index was only a shade lower at 721.5.

Banks were broadly weaker, Dresdner shedding DM 2.40 and Commerzbank DM 2.10, while Neckermann receded DM 5.50 in Stores, Siemens DM 3.20 in Electricals and Volkswagen DM 4.30 in Motors. In contrast, MAN, in Engineerings, firmed DM 2.50, while Metallgesellschaft climbed DM 6.50. Daimler put on DM 2.

Public Authority Bonds sustained fresh falls ranging to 60 pfennigs, with the Bundesbank buying DM 15m of paper (DM 13.5m).

Australia

Markets presented an easier appearance, with the downturn in international Bullion prices overnight prompting selling of Gold shares.

However, a late partial rally indicated that traders were not yet ready for a full shake-out, brokers said. Several of the leading Miners and a host of speculative issues were bid off the day's lows after Gold showed signs of improvement on the Hong Kong market.

Peko-Wallsend attracted interest minutes before the close with news of a gold find yielding up to 56 grammes per tonne at Tennant Creek, in the Northern Territory, and the stock moved off its low of A$9.60 to finish unchanged at A$9.66 on balance.

Elsewhere in the Golds sector, GMK, up 80 cents the previous day, ended a net 10 cents down at A$9.70, after sales at A$9.50. Central Norseman lost 30 cents at A$12.00 and Consolidated Goldfields 40 cents at A$9.00, while Kitchener, after trading down to A$4.30, were only 5 cents off on the day at A$4.45. Australian Development put on 5 cents to A$1.85 and Emperor 2 cents to A$3.00.

Amber Gold, Tuesday's front-runner with a 36 cents jump, was suspended from trading yesterday at the request of its home Stock Exchange in Adelaide, but before suspension the stock had sales ranging between its overnight price of 68 cents and 62 cents.

North BH receded 20 cents to A$4.80, with the 63 per cent rise in profits failing to impress the market. Diamond explorer Ashton Mining put on 10 cents to A$3.15 and Coal issue Utah gained 10 cents to A$5.40, but Hamersley declined 20 cents to A$4.40.

Johannesburg

Gold shares closed generally lower on overseas profit-taking and the narrowing discount of the Financial Rand. Heavyweights lost up to 225 cents, as in St. Helena, R64.50, while in Medium and Lightweights, Stilfontein and Elandsrand shed 50 and 40 cents to R29.75 and R14.80 respectively.

Mining Financials recorded some gains, however, GFSA rising R2 to R107.

Indices

NEW YORK —DOW JOHES

	Sept. 9	Sept. 8	Sept. 6	Sept. 4	Sept. 3	Sept. 9	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	934.75	928.58	940.85	948.81	953.15	940.78	966.72 (15/8)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	68.51	69.24	69.50	69.40	69.18	68.89	79.91 (25/6)	63.87 (28/3)	—	—
Transport	320.77	321.98	325.43	327.78	329.15	324.82	329.15 (3/9)	235.99 (27/3)	329.15 (5/9/80)	12.23 (8/7/32)
Utilities	111.79	111.72	112.78	112.96	115.38	111.50	115.88 (8/7)	98.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	44,460	42,050	38,150	59,490	52,630	35,590	—	—	—	—

●Day's high 935.09 low 919.03

Ind. div. yield %	Sept. 6	Aug. 29	Aug. 89	Year ago (approx
	5.72	5.75	5.59	5.67

STANDARD AND POORS

	Sept. 8	Sept. 8	Sept. 5	Sept. 4	Sept. 5	Sept 9	1980 High	1980 Low	Since Cmpil't' High	Since Cmpil't' Low
‡Indust'ls	140.78	159.88	141.71	144.89	145.10	140.48	144.99 (4/9)	111.90 (27/7)	144.98 (4/9/80)	3.52 (30/6/32)
§Composite	124.07	123.31	124.88	127.78	126.12	123.74	127.70 (4/9)	98.22 (16.2)	127.70 (4/9/80)	4.40 (1/6/32)

	Sept. 4	Aug. 28	Aug. 20	Year ago (approx)
Ind. div. yield %	4.64	4.76	4.72	6.13
Ind. P/E Ratio	8.61	8.54	8.36	7.87
Long Gov. Bond Yield	11.02	11.52	11.10	9.11

N.Y.S.E. ALL COMMON

Sept. 8	Sept. 8	Sept. 4	Sept. 4	1980 High	1980 Low
71.64	71.27	72.15	72.41	73.29 (4/9)	65.30 (27/3)

Rises and Falls	Sept. 9	Sept. 8	Sept. 3
Issues Traded	1,914	1,995	1,906
Rises	788	432	803
Falls	710	1,101	812
Unchanged	589	550	401
New Highs	62	82	86
New Lows	6	4	4

MONTREAL

	Sept. 9	Sept. 8	Sept. 5	Sept. 4	1980 High	1980 Low
Industrial	385.79	384.50	388.82	380.19	426.89 (28/2)	323.21 (27/3)
Combined	361.95	361.41	365.73	364.70	379.90 (29/2)	296.98 (27/3)
TORONTO Composite	2288.8	2282.9	2298.8	2272.73	2298.8 (8/9)	1702.5 (27/3)

	Sept. 10	Sept. 9	Sept. 8	Sept. 5	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1950/59)	259.13	563.27	563.86	569.52	578.54 (25/8)	780.00 (2/1)
Metal & Minrls. (1938/58)	5165.98	5217.57	6216.33	6157.22	8680.95 (14/2)	4591.25 (21/3)
AUSTRIA						
Credit Aktien (2/1/62)	67.25	67.01	66.95	67.20	81.45 (7/1)	65.58 (18/3)
BELGIUM						
Belgian SE (31/12/63)	91.87	91.49	90.53	91.58	105.75 (11/2)	90.14 (21/8)
DENMARK						
Copenhagen SE (1/1/73)	86.83	86.86	86.96	87.16	87.20 (12/8)	74.78 (9/8)
FRANCE						
CAC General (29/12/61)	111.6	111.2	112.0	117.4	117.8 (22/8)	97.1 (8/1)
Ind Tendance (28/12/78)	117.2	117.8	117.2	117.8	118.3 (4/3)	95.5 (8/1)
GERMANY						
FAZ-Aktien (31/12/58)	250.12	250.05	251.94	233.02	268.88 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	721.5	721.8	727.1	730.0	749.2 (25/2)	667.9 (27/3)
HOLLAND						
ANP-CBS General (1970)	84.8	84.8	85.0	85.2	88.0 (28/7)	74.0 (27/1)
ANP-CBS Indust. (1970)	65.8	65.8	64.2	64.5	68.2 (11/1)	58.2 (26/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1211.13	1169.72	1174.50	1212.71	1235.86 (1/9)	738.6 (19/3)
ITALY						
Banca Comm. Ital (1972)	129.28	129.25	130.92	130.78	130.92 (8/9)	83.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6956.21	6937.98	6938.42	6943.69	6956.21 (10/9)	6475.95 (27/3)
Tokyo New SE (4/1/68)	481.07	479.95	479.26	480.78	481.07 (10/9)	449.01 (19/3)
NORWAY						
Oslo SE (1/1/72)	120.86	120.07	121.85	121.77	144.70 (14/2)	116.12 (26/3)
SINGAPORE						
Straits Times (1966)	601.12	594.94	595.10	605.44	608.38 (2/9)	428.75 (3/1)
SOUTH AFRICA						
Gold (1958)	(u)	951.0	927.2	908.2	951.0 (8/9)	845.5 (2/7)
Industrial (1958)	(u)	626.4	627.1	628.1	627.1 (8/8)	456.0 (2/1)
SPAIN						
Madrid SE (29/12/79)	110.21	(c)	(c)	107.49	110.21 (10/9)	93.75 (15/5)
SWEDEN						
Jacobson & P. (1/1/58)	364.43	359.35	356.65	355.40	368.98 (8/2)	334.72 (17/1)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	311.2	311.1	314.6	316.2	317.9 (1/2)	276.0 (26/3)
WORLD						
Capital Intl. (1/1/70)	—	151.6	151.0	152.0	152.8 (4/9)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Clorox	660,800	11 5/8	+ 1/8
Engelhard	633,900	55 1/2	− 1/4
Sony	597,200	12 3/8	—
Mattel	429,000	13 1/2	+1 1/8
Banguet	424,600	15 3/8	− 5/8
IBM	412,600	66	+1 1/2
Braniff	408,600	6 3/8	− 1/2
Polaroid	408,300	31 1/4	+2
Mobil	401,800	86 3/8	—
Ramada Inns	388,300	10 1/4	+ 1/8

Lords report calls for larger EEC fish share

BY RICHARD MOONEY

THE UK Government should press for at least a 45 per cent share of the EEC fish catch at negotiations in Brussels, a House of Lords report published yesterday urged.

This recommendation, which came in a report from the European Communities Committee, delighted fishing industry leaders who have been pressing for a share of this order in recognition of the country's 60 per cent contribution to Community fish resources. So far Britain has only been offered a 31 per cent share and the British Fishing Federation has claimed that even this figure is overstated.

"The (EEC) Commission's current proposal for the allocation of quotas among member states does not do justice to the UK," said the Lords report. "Account should be taken of its resource contribution, and more account should be taken of its loss of catches from third-country waters. Given that around two-thirds of the Community's catch is taken from UK waters, a quota of 45 per cent seems none too high."

At the last Brussels session Britain turned down an offer of a share of 31 per cent based on a formula giving different species different values. The BFF has claimed that the EEC formula was inaccurate and that the real share in terms of quayside values would only have been 24.9 per cent.

UK fishermen also welcomed the Committee's recommendation that the Government go ahead with a system of subsidies to encourage the reduction of the oversized British fishing fleet.

"We have been asking for a long time for incentives to withdraw unsuitable fishing vessels," the BFF said. So far, however the Government has held fire on this question while awaiting the implementation of an EEC scheme.

The report said the UK fishing industry, especially the deep-sea sector, was in "grave difficulties" but that this was principally due to factors unrelated to the EEC common fisheries policy. The main cause was the loss of catching opportunities resulting from the general adoption of 200-mile limits.

Evidence in support of fishermen's claims that conservation measures were significantly jeopardised by fishermen of other member states breaking the rules was not convincing, it said.

The report suggested British fishing operations were not always as efficient as they might be. Other fishing fleets were able to sell profitably at lower prices because of greater efficiency, it said. The Dutch plaice fleet, for instance, used specialised and more efficient vessels, and had a different payment structure and more economic manning levels.

Farmers reject sugar price

By Our Commodities Staff

TALKS between the National Farmers' Union and the British Sugar Corporation on the terms of the 1981-82 sugar contract have broken down because the NFU believes the BSC offer is not sufficiently generous.

Mr. David Morhey, chairman of the union's sugar beet committee, said yesterday the offer would yield only slightly more than in the current crop year and less than in 1979.

Neither side was prepared to reveal the terms of the offer. For this season the basic price was set at £24.04 a tonne based on a 16 per cent sugar content.

Mr. Morhey said the new offer took no account of expected cost increases. He noted that the BSC was free to compete for sugar supplies but that British growers could only sell to the Corporation.

But a BSC statement said its offer would give British sugar beet growers a higher price than other EEC producers were getting, as it had last year. The 1979 price was inflated by three Green £ devaluations and an increase in the EEC price, it added.

Mr. Morbey invited the corporation to make an offer reflecting growers' cost increases. "We shall be very glad to discuss it, with a view to recommending it," he said.

Progress at pout talks

BY HILARY BARNES IN COPENHAGEN

DENMARK and the UK made progress here yesterday towards settling a two-year old dispute over industrial fishing.

Danish fisheries minister Mr. Poul Dalsager and Mr. Alick Buchanan-Smith, minister of state at the UK Ministry of Agriculture, met to discuss access to the sea area known as the Norway pout box, within which industrial fishing (for animal feed) is banned.

Teh ban was originally imposed by the EEC Commission to protect immature fish from human consumption in the area off the north-east coast of Scotland. But Britain subsequently extended the area unilaterally, an action later ruled illegal by the European Court.

The governments have now come so far that they will now go to the EEC Commission and ask the Commission to draw up regulations for fishing in the disputed area.

Before yesterday's talks it was thought that Mr. Buchanan-Smith would have to submit the results to his minister, Mr. Peter Walker, before going to the Commission. The decision to go straight to Brussels was therefore taken as an indication of a substantial degree of agreement, although Mr. Dalsager said there were still details to settle.

Neither side was prepared to sa ywhat is the substance of the potential settlement.

Indonesian coffee scandal

BY RICHARD COWPER IN JAKARTA

INDONESIA'S Minister for Trade has revoked the business license of a north Sumatran coffee shipping company, of which two executives are still being sought by Indonesian authorities for allegedly defrauding world coffee buyers and Indonesian banks out of $10m to $12m.

Mr. Radius Prawiro said that drastic action would be taken against PT Orici of Medan, which he said had defrauded state banks in that city. He received detailed particulars from north Sumatra concerning what he called the fraudulent transactions of the company.

The business license of the company and all its branches had been revoked, he said, though he did not specify what further action the state intended.

The two executives of the company still being sought in connection with the case are believed to have fled Medan in early August, leaving behind bad cheques and forged bills of lading estimated to amount to between $10m and $12m. The two men, brothers, are believed to have collected money in May and early August on orders of over 3,500 tons of coffee from buyers in Britain, France, Belgium, Switzerland, Japan and elsewhere, but actually shipped less than half the amount.

The two brothers presented faked bills of lading to a number of Indonesia state and private banks which were honoured, while over 20 cheques to Sumatran coffee growers were refused after they disappeared.

Minister Radius Prawiro admitted that the case was a setback to international trust in Indonesia exporters' reliability and warned all Indonesian agencies involved in the export business to be on their guard and in future to make certain that all the relevant procedures were correctly applied.

Potatoes too cheap says NFU

By Our Commodities Staff

THE UK potato market is still oversupplied and prices remain depressed, the Potato Marketing Board reported yesterday. It said loose potatoes were fetching only 3½p to 7p a lb at the retail level.

But this situation was not justified by the overall crop position, the Board said. The 415,000 tonnes contracted to the PMB would more than cover any prospective surplus so all remaining supplies were expected to be taken up by the market.

Farmers in Lincolnshire estimated this week that they were losing between £200 and £300 per acre on potatoes because of the "appallingly low price."

U.S. MINERAL SUPPLIES

Stockpile policy review urged

BY NANCY DUNNE IN WASHINGTON

BEMOANING the U.S. "dangerous" reliance on mineral exports and its "woefully short" stockpile of strategic and critical materials, a House of Representatives Subcommittee has urged the Administration to adopt a foreign policy focusing on the country's mineral needs.

In a report entitled "Sub-Sahara Africa: its role in critical mineral needs" the House subcommittee on mines and mining said the U.S. now imports more than half of 23 of the 36 minerals essential to the country, and it imports all of such critical minerals as manganese, cobalt, chromium and platinum.

Just as the U.S. has had to fit its foreign policy to the realities of the energy crisis, the country now must take its needs of minerals into primary consideration, the subcommittee said.

The report stressed the importance of southern Africa to the U.S. economy. "It is not news to say that there is considerable political instability in that area," Congressman Jim Santini, subcommittee chairman, told reporters when he released the report. "But it is revealing to note that the U.S. imports 93 per cent of its platinum from Southern Africa, 42 per cent of our manganese, 76 per cent of our cobalt, and 48 per cent of our chromium."

The subcommittee made the following recommendations; improving diplomatic relations with South Africa; opposing nationalisation of mines with or without compensation in Zimbabwe with American foreign aid conditional on Zimbabwe's continuation of past minerals policies: U.S. assistance to Zaire for mineral development.

South Africa, according to Mr. Santini is "at the apex of the free world mineral solutions and potential problems." He called the current U.S. approach toward South Africa "a self-defeating disaster."

While acknowledging that South Africa's racial policies were "abhorrent" to Americans, Mr. Santini suggested a policy of positive reinforcement. "Although continued improvement of the racial situation is necessary," he said. "Progress should be acknowledged and praised."

U.S. policy would be "greatly improved with more carrot and less stick," according to Mr. Santini.

Sub-committee members also took aim at efforts by the Carter Administration to initiate a critical minerals review policy which, said the sub-committee chairman, has "apparently died a slow, lingering and painful death."

The sub-committee raised the spectre of a "resource war" with the Soviet Union, claiming the Russians have made acquisition and security of key minerals part of their international foreign policy.

The Soviet Union's recent purchase of 20,000 tons of high quality chromium from Iran has given the sub-committee's concerns some credence among other members of Congress. According to one report issued by the World Affairs Council in Pittsburgh, Moscow may soon cease exporting minerals to the West.

To dramatise its concern, the sub-committee is planning a hearing on September 18, entitled "international resource war: strategic and critical minerals held hostage."

How Congress stocks its cupboard

THE U.S. stockpile of strategic and critical materials is "lacking in quantity and quality," members of the House sub-committee on mines and mining charged at a Press conference last month, writes Nancy Dunne from Washington.

"While we have learned a valuable lesson regarding our relations with oil exporting nations, we have failed to apply that lesson to cobalt and chromium, to manganese and platinum—and our national stockpile of these is woefully short," said congressman Dan Marriott, the sub-committee's ranking Republican member.

The sight of the U.S. stockpile under attack was hardly a new one on Capitol Hill. While many western nations are just beginning to formulate stockpile policies, the U.S. store goes back to World War I when it served the military purpose it purports to serve today. In actuality though, the stockpile has over the years become a political and economic instrument attacked as either insufficient or excessive.

The U.S. stockpile is, indeed short of many of the materials it is supposed to keep on hand to provide for the country's needs in the event of a three-year war. On the other hand, it has too much of some materials. Of the 62 groups of commodities stockpiled, 21 are equal to or in excess of its "goals" and 37 are less than their goals.

It is the Federal Emergency Management Agency (FEMA) which determines the stockpile's goals, estimating how much of each commodity should be stored in case of war. However, no one actually expects the goals to be reached. Some of the materials are unavailable—some could not be purchased without disrupting the markets. All, if purchased, would cost more than an estimated additional $10bn.

Before an item can actually be bought or sold, it must be approved by the Congress. It is at that point that the country's "strategic needs" become very much in the eye of the beholder. One Congressman, with industrial silver users among his constituents, may introduce a bill to sell silver from the stockpile, while another with constituents having silver holdings might present a case for the dire necessity of obtaining more silver.

Politics

Congressman Jim Santini, chairman of the sub-committee on mines and mining, and Mr. Marriott, both mining state representatives, vehemently attacked the cobalt currently stockpiled, claiming it will not meet current day needs. Cobalt is, indeed, less than 50 per cent of its goal, and most of the approximately $1bn worth now stored has been kept for more than two decades. Yet, it is Congress which authorises sales and purchases, and Congress has yet to authorise the new purchase of cobalt, which last year was selling for an inflated $40 per pound.

"Anyone from a mining state can talk about the stockpile and make lots of friends in an election year," grumbles one trader familiar with stockpile politics.

The stockpile has long been buffeted by the winds of politics and blown by changes in foreign policy. Before the Eisenhower years, it was supposed to provide emergency materials for a possible five-year war. After Ike was elected in effect, the law was changed to provide for materials to last through a three-year war. Excesses were thus created and sold off.

How close the country comes to reaching its stockpile objectives is linked to its current prosperity. With the U.S. in a recession and its national debt about $900bn, the chance that its goals will be reached is slight.

The process by which materials are purchased for the stockpile is long and tortuous. FEMA gives a list of goals, deficits, excesses and priorities to the Government Services Administration, ranking the sale and/or purchase according to defence need priorities. The GSA then must assess the market to determine if transaction can be made without disruption.

Then Congress must approve each individual purchase. It is therefore hardly surprising that few transactions took place last year. Although Congress authorised $237m for acquisition of stockpile materials, it never gave the needed approval for any individual purchases. Congress did approve the sale of 35,000 long tons of tin, but the tin market has been so weak that the GSA has only managed to sell five metric tons at $7.66 a pound. Time and time again, the GSA has rejected bids on tin holdings because they were below the prevailing market price.

Tempers flared

"To the maximum extent feasible" materials are supposed to be disposed of domestically. This could mean the loss of some foreign contracts, but the requirement was allegedly added to the present stockpiling legislation when tempers were flaring about the purchases of some industrial diamonds by the Israelis. The Israelis purportedly resold them as gemstones, netting handsome profits in the process. The stockpile may be used for political and economic gain domestically, but in no way is it supposed to benefit outside traders.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground following the further rise in gold and silver. Forward metal opened around the £882 level and gradually moved ahead to touch £894 before closing, the late Kerb at £892.5. Heavy volumes were traded throughout the afternoon, reflecting the intense activity in American markets which moved up following a number of producer price rises. Turnover: 15,950 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	864-5	+6.5	881-2	+17½
3 months	884.5-5	+5.5	892-2.5	+16.5
Settlem't	865	+6.5	—	
Cathodes				
Cash	834-5	+8	843-4	+18
3 months	856-9	+8	866-7	+15.5
Settlem't	835	+8	......	......
U.S. Prod	......		*92-97	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £864.5, 65, 64.5, three months £883, 83.5, 84, 84.5, 85. Cathodes, cash untraded, three months £858. Kerb: Wirebars, three months £884.5, 84, 84.5. Cathodes: untraded. Afternoon: Wirebars, cash untraded, three months £892, 93, 94, 93.5, 93, 93.9, 94, 91, 92, 92.5. Cathodes: cash, £843, three months £866. Kerb: Wirebars, three months £891, 92, 93, 94. Cathodes: untraded.

TIN—Steady as initial bull liquidation, which depressed forward metal to £7,320, was met by fresh interest and covering against American physical demand and lifted three months metal ahead to £7,375. Turnover: 960 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7280-90	−15	7290-300	+30
3 months	7525-50	−5	7555-8	+19
Settlem't	7290	−10	—	......
Standard				
Cash	7280-90	−10	7290-300	+30
3 months	7525-30	−5	7555-8	+19
Settlem't	7290	−10	—	......
Straits E.	‡$2361	+28	—	......
New York	—			

Morning: Standard, cash £7,280, three months £7,230, 40, 35, 30, 25. High Grade all untraded. Kerb: Standard, three months £7,325, 20. High Grade untraded. Afternoon: Standard, cash untraded, three months £7,330, 35, 40, 50, 55, 57, 58. High Grade all untraded. Kerb: Standard, three months £7,355, 60, 65, 70, 75. High Grade untraded.

LEAD—Held steady. Forward metal opened around the £386 level and dipped to £382 on trade hedge selling before rallying to close the late Kerb at £385 on chartist buying. Turnover: 15,325 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	367-7.5	−4.25	367-8	+1.5
3 months	382.5-3	−4	383-4	+1.75
S'ment	367.5	−4.5	—	......
U.S. Spot	—	......	*42-44	......

Morning: Cash £367, three months £383, 82, 82.5, 83, 82.5. Kerb: Three months £382. Afternoon: Cash untraded, three months £384, 85, 84.5, 84, 83.5. Kerb: Three months £383, 84.

ZINC—Moved ahead in line with other metals, with forward metal finally quoted on the late Kerb at £342.5. Turnover: 5,025 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Cash	327-8	+1	328-.5	+3.5
3 months	341-1.25	+2.37	341.5-2	+4
S'ment	328	+1	—	......
Primw'ts	—	......	*36.5-37.25	......

Morning: Cash £328, three months £340, 41, 42, 41.5. Kerb: Three months £341. Afternoon: Cash untraded, three months £342, 41.5. Kerb: Three months £341, 42, 42.5.

ALUMINIUM—Marginally easier as chartist buying, which lifted three months metal to £715, was met by trade selling and general profit taking which pared forward metal to £706.5 on the late Kerb. Turnover: 8,150 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Spot	707-9	+1	705-8	−3.5
3 months	709-9.5	+1	708-.5	−2.75

Morning: Cash untraded, three months £712, 11, 11.5, 11, 10, 09. Kerb: Three months £707. Afternoon: Cash untraded, three months £709, 10, 09, 9.5, 10, 09, 9.5, 9. Kerb: Three months £707, 8, 7.

NICKEL—Quietly steady. Three months opened around £2,800 and thereafter moved ahead to touch £2,840 before ending the afternoon Kerb at £2,832.5. Turnover: 672 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
Spot	2810-20	+40	2785-800	+22.5
3 months	2830-50	+48.5	2820-5	+27

Morning: Cash untraded, mid-Sept. £2,810, three months £2,829, 2,810, 15, 20, 25, 30. Kerb: Three months £2,835, 30, 25. Afternoon: Cash £2,800, three months £2,830, 25, 20. Kerb: Three months £2,820, 25, 30, 35, 40.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 45.25p an ounce higher for spot delivery in the London bullion market yesterday at 820.55p. U.S. equivalents of the fixing levels were: spot $19.718, up 96.8c; three-month $20.341, up 99.2c; six-month $20.861, up 96.1c; and 12-month $22.018, up 98.9c. The metal opened at 793p-801p ($19.05-19.25) and closed at 820p-828p ($19.70-19.90).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	820.55p	+45.25	820p	+47
3 months	855.00p	+44.95	853.5p	+49
6 months	880.60p	+44.75	—	......
12 months	933.0p	+44.4	—	......

LME—Turnover 315 (132) lots of 10,000 ozs. Morning: Three months 854, 55, 57, 59, 57, 55, 54, 52, 53, 55, 56, 55. Kerbs: Three months 856, 58, 60, 59. Afternoon: Three months 852, 50, 51, 50, 49, 48, 49, 50, 52, 52.5. Kerbs: Three months 855, 56, 57, 56, 54.

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week so far at 42 tonnes. Very restricted demand was encountered and users were reluctant to add to their recent purchases. The persistently high cost of raw cotton remained a distinct deterrent to business.

COCOA

Cocoa futures continued to remain steady as further commission house and arbitrage buying absorbed trade scale-up selling. Prices closed with modest gains of £5, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or −	Business Done
Sep	870-874	−5.0	875-968
Dec	1004-05	+5.0	1011-996
March	1042-43	+4.5	1049-37
May	1061-63	+6.5	1068-60
July	1075-82	+4.5	1083-80
Sept	1095-1103	+6.5	1105-1098
Dec	1110-28	+7.0	1125-24

Sales: 3,700 (3,274) lots of 10 tonnes.

COFFEE

Robustas saw early gains but commission house selling halted any major breakthrough on upside during a moderately active morning, reports Drexel Burnham Lambert. In the afternoon the market moved further ahead and recent chart gaps were filled following a burst of trade buying. Towards the close producer involvement followed by commission house selling induced an irregular finish with January forward closing on a weak note.

COFFEE	yesterday's Close	+ or −	Business Done
	£ per tonne		
Sept	1170-73	+44.0	1175-37
Nov	1201-03	+28.0	1218-1185
January	1225-29	+16.5	1246-20
March	1243-45	+11.5	1271-45
May	1260-65	+20.0	1286-60
July	1250-70	+5.00	1295-60
Sept	1280-13	+32.5	—

Sales: 5,365 (5,315) lots of 5 tonnes.

ICO indicator prices for September 9 (U.S. cents per pound). Other Mild Arabicas 134.00 (131.33). Robustas ICA 1976 130.75 (127.25). ICA 1968 131.00 (127.50). Unwashed Arabicas 213.50 (211.50). Comp. daily ICA 1968 169.21 (166.81).

GRAINS

LONDON GRAIN FUTURES—The market opened unchanged but selling soon saw it 20p down. There was good buying support at this level and prices traded around unchanged to 10p up for most of the morning session. Later in the afternoon hedge selling and long liquidation entered the market to close 15p-40p down, reports Acli.

	WHEAT		BARLEY	
M'nth	Yesterday close	+ or −	Yesterday close	+ or −
Sept.	96.10	−0.25	89.80	−0.28
Nov.	99.85	−0.40	93.20	−0.40
Jan.	103.95	−0.30	97.45	−0.40
Mar.	107.70	−0.15	101.10	−0.40
May	111.30	−0.15	104.70	−0.55
July	114.80	−0.15	—	—

Business done—Wheat: Sept. 96.40-96.15, Nov. 100.00-99.50, Jan. 104.30-103.90, March 107.90-107.75, May 111.45-111.25, July 115.00-114.70. Sales 436 lots of 100 tonnes. Barley: Sept. 90.00-89.75, Nov. 93.50-93.10, Jan. 97.80-97.35, March 101.45-101.05, May 105.00-104.65. Sales 217 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, Sept. 97, Oct. 99.75, Nov. 102.40, Dec. 104.80, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Sept. 97.25, Oct. 98, Nov. 100, Dec. 101.75 transhipment East Coast. Maize: U.S./French Sept. 122.50, Oct. 121.50, transhipment East Coast. S. African Yellow Sept.-Oct. 90.00. Barley: English Feed fob Oct. 95.50, Nov. 97.50, Jan. 102, Jan.-March 103.50, April-June 108.50. Rest unquoted.

RUBBER

The London physical market opened uncertain, ruled quiet throughout the day, closing on an easier note. Lewis and Peat reported an fob October price for No. 1 RSS in Kuala Lumpur of 313.5 (309) cents a kilo and SMR 20 at 275.5 (272).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Oct.	65.40-65.50	65.80-66.00	65.30
Nov.	66.10-66.60	66.70-67.00	65.20-66.10
Oct-Dec	66.00-66.10	68.00-67.00	67.00-66.10
Jan-Mar	69.60-69.80	70.50-70.60	71.00-69.50
Apr-Jne	73.00-73.10	73.50-73.70	74.20-72.80
Jly-Sept	76.00-76.10	76.70-76.00	77.20-76.10
Oct-Dec	78.50-78.70	79.20-79.30	79.50-78.30
Jan-Mar	81.00-81.10	81.70-81.80	82.00-81.10
Apl-Jne	84.60-85.90	84.80-84.40	84.75-84.50

Sales: 561 (583) at 15 tonnes; 5 (same) at 5 tonnes.

Physical closing prices (buyer) were: Spot 64.00p (64.50p); Oct. 65.25p (65.75p); Nov. 66.25p (66.75p).

SOYABEAN MEAL

The London market opened unchanged. Early trade buying pushed prices to around £1.00 higher during the morning session, reports T. G. Roddick. Prices drifted lower on light liquidation to close near opening levels.

	Yest'rday Close	+ or −	Business Done
	£ per tonne		
October	127.10-27.4	+0.20	127.60-26.70
December	130.80-31.0	+0.15	131.80-30.20
February	132.90-33.1	+0.25	133.80-32.80
April	134.70-34.6	+0.20	135.50
June	135.00-36.9	+0.50	—
August	136.50-37.5	+1.0	—
October	136.50-38.5	+0.50	—

Sales: 286 (359) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £318.00 (£310.00) a tonne cif for Sept.-Oct. shipments. White sugar daily price was £314.00 (£309.00).

Reports that Thailand was reviewing certain export contracts lifted prices some £4 above kerb levels. Late, however, after the EEC granted 115,450 tonnes of exports, most of the gains were lost and by the close quotations were at the lows, some £1 below overnight prices, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Oct	329.00-28.25	328.25-28.50	334.00-28.00
Jan	345.00-45.50	341.00-42.00	348.50-40.00
Mch	357.55-57.75	355.20-55.25	363.00-49.00
May	355.50-55.75	351.00-51.25	360.00-48.00
Aug	346.25-48.50	344.75-45.00	352.50-45.00
Oct	336.50-37.00	332.00-36.00	341.50-38.00
Jan	315.50-14.85	315.85-14.80	318.00-11.00

Sales: 10,609 (8,299) lots of 50 tonnes.

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales). Oct. 330.00, 330.25, 340.00-330.00, 375. Sales: 376 (168).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £407.50 (£401.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Sept. 5: Daily price 31.85 (31.64); 15-day average 31.27 (31.23).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 365, 385, nil, nil; Dec. 365, 370, 366, 2; Jan. 366, 372, nil, nil; March 370, 375, 370-369, 2; May 372, 374, nil, nil; Aug. 373, 380, nil, nil; Oct. 378, 380, nil, nil; Dec. 378, 385, 377, 2; Jan. 377, 380, nil, nil; March 380, 385, nil, nil. Sales: 5.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Oct. 457.5, 458.0, 458.0-456.0, 91; Dec. 468.5, 469.5, 469.0-465.0, 72; March 477.0, 479.0, 478.0-474.5, 82; May 481.0, 483.0, 482.0-478.0, 56; July 483.0, 485.0, 482.0-481.0, 33; Oct. 483.0, 485.0, 482.0-481.0, 10; Dec. 483.5, 485.0, untraded; March 487.0, 488.0, untraded. Sales 346.

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HIDES—Leeds: Weakness continues. Second clears. Ox 31-35.5 kilos, 28p a kilo withdrawn (33p a kilo); 26-30.5 kilos, 30p a kilo withdrawn (35p); 22-25.5 kilos, 36.6p a kilo withdrawn (39p). Light cows 34.6p (39.6p).

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GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £3.20-£6.00, codlings £3.20-£4.00. Large haddock £3.50-£4.50, medium £3.40-£3.90, small £2.50-£3.00. Large plaice £5.00-£5.80, medium £4.40-£5.60, best small £2.00-£3.00. Skinned dogfish (large) £8.50, medium £7.00. Lemon soles (large) £8.50, medium £7.50. Rockfish £2.60-£3.00. Saithe £3.80-£4.00.

PRICE CHANGES

In tonnes unless otherwise stated.

	Sept. 10 1980	+ or −	Month ago
Metals			
Aluminium	£810/815	......	£819/815
Free Mkt	$1710/1740	+10	$1805/65
Copper			
Cash w'bar	£871.5	+17.75	£814.5
3 mths	£892.25	+16.5	£952.25
Cash Cathode	£843.5	+18	£885
3 mths	£866.5	+15.5	£907
Gold troy oz	$664.5	+16.5	$614.5
Lead Cash	£367.5	+1.5	£374
3 mths	£383.5p	+1.75	£387
Nickel	£3,805.00	......	£3,185.45
Freemkt (c lb)	280/315c	......	280/305c
Platin'mtr'y oz	£208	......	£182.50
Free mkt	£297.75	−7.85	£264.85
Quicksilver†	$405/415	......	400/415
Silver troy oz	820.55p	+45.25	664.55p
3mths	855.05p	+46.85	681.50p
Tin Cash	£7,295	+50	£7,220
3 mths	£7,356.5	+18	£7,182.5
Tungsten 22.04lb	$144.87	......	$143.39
Wolfrm 22.04 lb	$151/154	......	$148/151
Zinc cash	£328.5	+3.5	£322.5
3 months	£341.75	+4	£335.25
Producers	$780	......	$780
Oils			
Coconut (Phil)	$630x	+22.5	$630
Groundnut	‡	......	‡
Linseed Crude	£387	......	£407
Palm Malayan	$550y	−5	$540
Seeds			
Copra Philip	$415x	......	$445
Soyabean (U.S.)	$348x	−8	$320
Grains			
Barley Futures	£95.20	−0.40	£94.55
Maize			
French No3AM	£122.50	......	‡
Wheat			
No.1 Red Spg	‡	......	‡
No2HardWint	£97.25	......	£96.75
Eng. Milling†	‡	......	‡
Other commodities			
Cocoa ship't	£1,065	+5	£1,048
Future Dec	£1004.5	+5	£1,058.5
Coffee Ft' Nov	£1,202	+26	£1,278.5
Cotton A Index	102.10c	−1.2	94.40c
Rubber (kilo)	64p	−0.5	58.75p
Sugar (Raw)	£316	+6	£334
Woolt'ps 64s kl	387p kilo	......	386p kilo

‡ Unquoted. t Oct. u Sept.-Oct. v Nov. z Indicator. § Buyer. † Per 76-lb flask. * Nominal.

POTATOES

LONDON POTATO FUTURES—Trade buying, possibly inspired by the Potato Marketing Board report on supply, held prices steady against increased selling. Light commission house buying at the close firmed November prices to the highs, reports Coley and Harper. Closing prices: Nov. 40.80, +20 (high 40.80, low 40.60); Feb. 47.20, +10; April 54.30, unchanged (54.20). Turnover: 28 (16) lots of 40 tonnes.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on September 10. GB—Cattle, 72.21p per kg lw (−1.39). UK—Sheep, 116.08p per kg est dcw (+1.01). GB—Pigs, 66.03p per kg lw (+0.63).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 61.0 to 65.5; Ulster hindquarters 72.0 to 74.0, forequarters 41.0 to 43.0; Eire hindquarters 71.4 to 74.3, forequarters 40.3 to 42.5. Veal: Dutch hinds and ends 102.0 to 105.0. Lamb: English small 54.6 to 59.5, medium 52.0 to 55.0, heavy 46.8 to 51.4; Scottish medium 51.0 to 55.5, heavy 47.5 to 52.0. Imported frozen: NZ PL 59.0 to 55.0, PM 50.0 to 50.0. Pork: English, under 100 lb 38.0 to 48.8, 100-120 lb 38.5 to 46.8, 120-160 lb 35.0 to 44.2. Grouse: Young best (each) 200.0 to 240.0, old (each) 100.0 to 140.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—(boxes of 72) S. African 5.30-5.85; Brazilian: 5.80. Lemons—Italian: 100/150 6.00-6.50; Spania: Trays 25/45 2.40-2.80, boxes 6.50-9.00; Outspan: Trays 45/75 4.80-5.00, boxes 100/195 7.00-10.00. Grapefruit—Outspan: Marsh Seedless 4.50-5.75; Uruguayan: 36/72 5.00-7.00; Honduras: 36/48 5.40-5.80. Tangerines—Brazilian: Honey ½-boxes 4.30-4.50. Apples—French: Golden Delicious approx. 20 lb, 72 2.00-2.20, 40 lb 125/150 4.00-4.20; Spanish: Granny Smith 40 lb 7.0-8.00, ½-boxes 4.00-4.50. Pears—French: Per 28 lb Williams 3.40; Italian: Per pound Williams 0.13-0.17. Peaches—Italian: 1½-trays 2.00-2.60. Nectarines—Italian: 4.00-4.80. Plums—Italian: Boxes, Stanleys/Giant Prunes per pound 0.12; Hungarian: Switzens 13 lb 1.30. Greengages—Spanish: 2.20. Grapes—Cypriot: Per pound Sultana 0.22-0.23, Alphonse Lavallee 0.25, Rosaki 0.30, Thompson 0.30; Italian: Regina per pack 1.60-2.30, wine per tray 3.00-3.20; French: Alphonse Lavallee 5 kg 3.70. Melons—Spanish: Yellow 10 kg 2.50-3.20, green 7/11's 3.30-3.50. English Produce: Potatoes—Per bag, new 1.20-1.80. Mushrooms—Per pound 0.50-0.80. Apples—Per pound Grenadier 0.04, Howgate 0.06-0.07, Derby 0.06-0.07, Tydeman's Early Worcester 0.10-0.16, Discovery 0.12-0.15, Bramleys 0.08-0.12, Worcester Pearmain 0.12-0.19, Cox's Orange Pippins 0.20. Pears—Per pound Williams 0.10, Dr. Jules 0.08, Conference 0.10. Plums—Per 12 lb Belles 1.30, Victorias 1.80, Czars 0.70-0.80, Damsons 1.40-1.80. Strawberries—Per ½-lb 0.30-0.35. Cabbages—Per bag 1.20-1.30. Cauliflowers—Per 12 1.50-2.30. Beetroots—Per bag 1.00. Cucumbers—Trays 10/20 1.20-1.80. Tomatoes—Per 12 lb 2.20-2.50. Lettuce—Per 12 round 0.60-1.00, Cos 1.30, Webbs 1.20. Sprouts—Per pound 0.08-0.10. Corn Cobs—Each 0.10. Carrots—New crop 28 lb 0.90-1.50. Onions—Per bag 1.50-2.00, Picklers 3.00. Celery—Per pack 20/30 2.50, naked 12's 1.20-1.50. Capsicums—Per pound 0.25. Runner Beans—Per pound 0.14-0.16. Swedes—Per 28 lb Devon 0.90-1.00. Courgettes—Per pound 0.20. Cob Nuts—Per pound 0.30-0.33. Marrows—Box 12/15 1.30.

AMERICAN MARKETS

NEW YORK, September 10.

CONTINUED SUYING in precious metals rallied the markets sharply during the day but was followed by profit-taking on the close. Cattle markets were mixed while the pork complex was higher on good demand. Grains, soyabeans and cotton were fractionally lower as the trade began to even up ahead of the U.S. crop production report late Thursday. Coffee showed moderate gains on producer support. Cocoa advanced slightly after manufacturer buying provided support in the market. Copper moved higher in sympathy with precious metals, reported Heinold.

Copper—Sept. 93.90-94.00 (91.45), Oct. 94.65 (92.25), Nov. 95.45, Dec. 96.20-96.40, Jan. 97.10, March 98.60-98.80, May 100.25-100.50, July 101.70, Sept. 103.20, Dec. 105.45, Jan. 106.20, March 107.70, May 109.20, July 110.70. Sales: 10,260.

Potatoes (round whites)—Nov. 93.5 (94.5), March 131.1 (132.9), April 152.6-153.1. Sales: 2,736.

Sugar—No. 11: Oct. 33.20-33.35 (33.77), Jan. 34.80-34.90 (35.33), March 35.75-35.80, May 35.35-35.40, July 34.75-34.80, Sept. 33.95-34.00, Oct. 33.40, Jan. 30.30-30.60.

Tin—820.0 (815.0-820.0).

CHICAGO, September 10.

Lard—Chicago loose 23.00 (22.50). New York prime steam 23.00.

Live Cattle—Oct. 68.00-67.90 (68.20), Dec. 69.40-69.50 (69.92), Jan. 71.00, Feb. 71.25-71.00, April 73.02-73.12, June 74.37-74.25, Aug. 74.20, Oct. ——, Dec. 47.50.

Live Hogs—Oct. 47.75-47.65 (48.35), Dec. 50.25-50.50 (49.05), Feb. 53.60-53.40, April 52.25-52.30, June 55.60-55.65, July 56.65-56.70, Aug. 54.60, Oct. 53.00, Dec. 53.25.

‡‡Maize—Sept. 352½-352 (354¼), Dec. 355½-355¼ (357¾), March 366-365½, May 369¾-369½, July 369½-369, Sept. 360½-360.

Pork Bellies — Feb. 69.80-69.90 (67.90), March 69.75 (67.75), May 70.90, July 71.35, Aug. 70.37.

†Soyabeans—Sept. 821 (824), Nov. 844½-842½ (844½), Jan. 862-861, March 880½-879, May 886½-884½, July 883-884, Aug. 876, Sept. 850.

¶Soyabean Meal—Sept. 238.7-238.6 (238.5), Oct. 240.0-239.5 (240.2), Dec. 245.2-245.5, Jan. 247.5-247.3, March 250.0-250.5, May 249.5, July 250.5, Aug 247.0, Sept. 244.3-244.5.

Soybean Oil — Sept. 27.47-27.50 (27.42), Oct. 27.60-27.62½ (27.62), Dec. 28.20, Jan. 28.40, March 28.95, May 29.15, July 29.30, Aug. 29.15-29.30, Sept. 29.10-29.15.

†Wheat—Sept. 468½-469 (472½), Dec. 489½-490½ (492), March 509-508½, May 514½-515, July 509½-510, Sept. 517.

WINNIPEG, September 10.—§Barley—Oct. 135.80-136.00 (137.70), Dec. 137.30 (137.50), March 137.60, May 133.50, July 137.40.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, September 10.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Sept. $213, Oct. $212.50, Nov. $216, Dec. $221, Jan. $226, Feb. $230, March $234. U.S. No. 2 Red Winter, Oct. $204, Nov. $206. U.S. No. 2 Northern Spring, 14 per cent, Sept. $211.50, Oct. $215, Nov. $220, Dec. $225, Jan. $244, Feb. $248, March $250.

Maize—Afloat $169, Sept. $167, Oct. $167, Nov. $168.50, Dec. $172.50, Jan.-March $178.50, April-June $180, July-Sept. $179.

Soyabeans—U.S. Two Yellow Gulfports Sept. $334.50, Oct. $336, Nov. $337.25, Dec. $345, Jan. $349.25, Feb. $355.75, March $357.25, April $359.25, May $360 sellers. Argentine afloat $322, Sept. $326.50, Oct. $329.50 sellers.

Soyameal—44 per cent protein U.S. afloat $292, Sept. $292, Oct. $293, Nov.-March $306. Brazil Pellets afloat $297, Sept. $299, Oct. $304, Nov.-March $317.

PARIS, September 10.

Cocoa (FFr per 100 kilos)—Sept. 870-940, Dec. 965-975, March 1000-1014, May 1021-1040, July 1025-1055, Sept. 1046. Sales at call 2.

Sugar (FFr per 100 kilos)—Oct. 3121-3135, Nov. 3090, Dec. 3245-3250, March 3410-3420, May 3415-3425, July 3350-3400, Aug. 3310-3380, Oct. 3160-3230. Sales at call 11.

INDICES

FINANCIAL TIMES

Sept. 9	Sep. 8	M'nth ago	Year ago
280.81	280.47	270.94	259.26

(Base: July 1, 1952=100)

MOODY'S

Sept. 9	Sept. 8	M'nth ago	Year ago
1207.0	1266.2	1225.6	1117.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 9	Sept. 8	Month ago	Year ago
Spot	447.20	448.45	445.52	405.73
F'tur's	472.34	471.53	450.67	408.30

(Average 1924-25-26=100)

REUTERS

Sept. 10	Sept. 9	M'nth ago	Year ago
1750.8	1743.2	1722.6	1590.0

Base: September 18, 1931=100)

Enthusiasm wanes after initial strength and Gilts close mixed—Leading equities end on dull note

Account Dealing Dates

Options

*First Dealings	Declarations	Last Dealings	Account Day
Aug. 11	Aug. 28	Aug. 29	Sept. 8
Sept. 1	Sept. 11	Sept. 12	Sept. 22
Sept. 15	Sept. 25	Sept. 26	Oct. 6

* "New time" dealings may take place from 9 am two business days earlier.

Gilt-edged investors yesterday continued to enthuse over the measures designed to relieve the pressure on the market. The Treasury's expectations of a sharp slowdown in money growth and the Public Sector Borrowing Requirement in the second half of the financial year also continued to bolster sentiment. At noon yesterday, Government securities were up 1½ points more and the equity sectors, too, were still advancing. In the early afternoon, however, a note of caution developed which halved Gilt gains and reversed the upturn in leading shares.

Nonetheless, the overall performance of the two main investment sectors since the Treasury's statement on Tuesday afternoon was impressive, especially in view of the bleak economic and industrial situation. A noticeable expansion in business has developed with the emphasis on Gilt-edged, and yesterday sizeable offerings of stock were absorbed before quotations made headway. But revived selling later found buyers satisfied and backing away in a sensitive market. Optimism remained high about a reduction soon in Minimum Lending Rate.

The extent of the late reaction was reflected in an irregular close with some ultra-longs showing gains extending to ⅝ but selected medium issues down ½ on balance. The exhausted partly-paid medium tap, Treasury 11¾ per cent 1991 "A," settled ⅜ lower at 48½, after 48⅞, while Treasury 13½ per cent 2004-08 closed ⅝ higher at 103⅞, after 104. Short-dated stocks fared similarly and several high-coupons ended a shade easier on the day after being ½ up in the early trade.

Leading equities were guided by the trend in Gilts. They opened a shade indecisively, but went higher with the help of increased investment inquiry before gradually slipping and closing slightly easier on the session. The FT Industrial Ordinary share index was 2.8 up at noon but a net 2.1 down at the close of 501.8; most of the fall was caused by weakness in P and O Deferred, down 14 at 122p, following acute disappointment with the first-half results.

On the other hand, second-line equities were catching up with Tuesday's sharp gains in the leaders. Rises in FT-quoted industrials outnumbered falls by 7-to-2 and the broad-based FT-Actuaries indices made further progress. The Industrial Group and 500-share measures recorded new highs for the year, while the All-share index added 0.7 per cent to a peak since compilation of 295.48.

Active conditions prevailed in the Traded option market and the 1,790 contracts completed was the highest since July 16 (2,047). BP recorded 307 deals, while Lonrho continued to attract good business with 247.

Merchant Banks good

Merchant banks featured a firm banking sector, scoring double - figure improvements following fairly persistent demand in a market none-too-well-supplied with stock. Reflecting the group's bullion interests, Kleinwort Benson were particularly favoured at 216p, up 16, while Hambros put on 13 to 546p and Arbuthnot Latham 12 to 232p. Awaiting today's interim statement, Schroders gained 12 to 312p, while Guinness Peat appreciated 5 to 147p ahead of today's preliminary results.

Cheaper money hopes helped Hire Purchases make further progress. Lloyds and Scottish rose 7 to 170p and UDT 2 to 47p. Discount Houses continued to reflect firm gilts. Cater Ryder gained 10 to 385p and Allen Harvey and Ross hardened on 5 to 410p; the latter's first-half figures are due today. The major clearers closed with fresh improvements ranging to 5, while Bank of Scotland moved up 8 to 285p. Elsewhere, Standard Chartered rose 10 more for a two-day jump of 50 to 605p following the good interim results.

Life issues were prominent in Insurances. Prudential put on 10 to 247p in front of today's interim figures, while Britannic added a similar amount to 244p and Legal and General rose 9 to 232p. Elsewhere, Sedgwick gained 6 to 120p awaiting today's mid-term results.

Cornell up again

After a quiet opening, Breweries encountered a fair measure of institutional buying. Follow-through support was lacking.

Benlox, up 9 at 42p, were outstanding in Buildings following the announcement that discussions are taking place which could result in a third party obtaining a substantial interest in the company. Among scattered gains elsewhere in the sector, Burnett and Hallamshire gained 17 to 755p and Y. J. Lovell continued firmly at 150p, up 4.

Among Chemicals, ICI moved narrowly before closing unaltered at 372p.

Secondary Stores were again featured by Cornell Dresses which, having touched 68p in Tuesday's late business, moved further ahead to close at 76p following the disclosure of Mr. Asil Nadir's option in a major stake in the company. Polly Peck firmed 4 to 122p. Further support was noted for J. T. Parrish, 4 better for a two-day gain of 12 at 112p, while J. Hepworth picked up 5 at 80p. Raybeck rose 4 to 73p; the shares go ex-dividend on Monday. Stylo added 10 to 130p, while Ward White firmed a couple of pence to 59p. Newbold and Burton, however, eased 3 to a 1980 low of 39p on the almost-halved interim profits.

Sellers eventually gained the upper hand in the Electrical leaders. GEC eased to 520p initially on scattered profit-taking before moving ahead to 525p and reacting afresh to close 5 down on balance at 517p. Racal settled 3 easier at 333p, but Plessey ended a few pence dearer at 252p, after 256p. Secondary issues recorded some further useful gains, but closed below the day's best in places. Ferranti touched 494p before ending 11 higher at 487p. Kode closed similarly dearer at 326p and Unitech finished 9 up at 342p.

Selective interest was shown in secondary Engineers. APV were noteworthy for a rise of 10 to 212p, while Yarrow firmed 12 to 222p in a limited market and Vosper improved 5 to 120p. Bear-closing following the poor interim figures left Babcock International 6 higher at 96p. Revived demand lifted Westland 5 to 131p, while similar improvements were recorded in ML Holdings, 350p, and Adwest, 180p. Leading issues, however, turned easier after the previous day's late upward flurry.

Among Foods, J. Sainsbury, which is launching a large advertising campaign today, improved 11 to 512p. Associated Dairies added 2 more at 236p, as did Rowntree Mackintosh, at 172p, while Tesco firmed 1½ at 58½p. Northern rose 5 to 153p, while Kwik-Save picked up the same amount to 139p. Nurdin and Peacock closed 7 to the good at 174p following the mid-term statement, but further consideration of the half year loss and passed interim dividend clipped 6 more from Danish Bacon, 86p. Argyll added 7 at 67p.

Thos. Tilling weak

Thomas Tilling took a late turn for the worse in miscellaneous industrials, falling from an initial firm level of 180p to close a net 16 down at 160p following interim profits which fell nearly £6m short of expectations. Details of the proposed £5.35m rights-issue unsettled British Vita and the close was 8 lower at 132p, while adverse comment on the poor interim figures clipped a similar amount from Reckitt and Colman at 190p. Portals, however, rose 20 to 400p in response to the better-than-expected interim results and U.S. expansion plans, while Biddle gained 5 to 105p on the half-yearly results. Buyers came for Smiths Industries and the close was 15 higher at 250p, while improvements of 10 were seen in AGB Research, 217p, De La Rue, 870p, Office and Electronic, 337p, and Photo-Me, 380p. Bestobell gained 8 to 298p on further consideration of the satisfactory first-half results, while ICL added 6 afresh to 196p on renewed investment support. Poor interim figures from Cosalt had already been well discounted and the shares edged forward a penny to 31p. Hong Kong stocks revived with rises of 8½ and 12 respectively in Hutchison Whampoa, 105½p, and Jardine Matheson, 183p. The leaders generally took the previous day's late gains a modest stage further.

In Leisure issues, speculative activity on recovery prospects lifted Black and Edgington 10 to 42p. Photax (London) added 6 more to 76p.

Motor sectors displayed an irregular appearance. In Distributors, Caffyns, 183p, and Tate of Leeds, 74p added 3 apiece, but Dorada eased a penny to 54p following the sharp setback in interim profits. Appleyard, due to report first-half figures tomorrow, dipped 4 at 41p. Components were featured by Automotive Products, 6 up at 71p, while Flight Refuelling continued to attract speculative attention and advanced 14 for a two-day gain of 30 at 282p.

Oils drift lower

Among Publishing issues, William Collins added 3 to 183p in response to the return to profits and the dividend list at the interim stage. Haynes continued the recent recovery and ended a like amount firmer at 136p.

Properties continued firmly on cheaper money hopes. Haslemere Estates put on 8 to 374p and Land Securities improved 4 more to 393p as did Stock Conversion, to 492p. Among Hong Kong issues, Hong Kong Land closed 8 to the good at 144p and Cheung Kong 10 up at 228p.

Inclined harder at the start, leading Oils drifted back in quiet trading to close little changed on balance. Among the exploration issues, Aran came on offer and weakened 20 to 426p, but Clyde put on 10 to 530p and Sun (UK) Royalty 20 to 515p. Following the further report on the Alaskan oil find, dealings resumed in Double Eagle at 640p and Warrior Resources at 390p compared with the respective suspension prices of 600p and 370p.

In Overseas Traders, fresh support left Inchcape 18 up at 488p and S. and W. Berisford 5 better at 185p.

Interim results well below recent expectations prompted selling of P and O Deferred which fell steadily to close around the day's lowest at 122p, down 14. Other Shipping shares trended easier in sympathy.

Reflecting the Tuesday's late improvement in equities, Trusts made progress on a broad front. Triplevest Capital advanced 18 to 302p and Derby Capital 17 to 237p. Among overseas issues, Jardine Securities featured at 114p, up 21, on the increased dividend and annual profits.

Another batch of discouraging trading statements unsettled Textiles. Carpets International dropped to 18p before rallying to end a net 3 down on balance at 20p following the sizeable half-year loss and the passed interim dividend. Montfort (Knitting Mills) eased 3 to 72p after the sharp contraction in first-half earnings, while Youghal shed a couple of pence to 6p on the interim deficit and gloomy statement.

Tobaccos continued firm. Imps added 2 at 87p, while Bats ended 5 to the good at 293p.

Good gains in Golds

A further strong performance by the bullion price, finally $15.50 ahead at $684.50 an ounce, encouraged renewed heavy buying of South African Gold shares. The Gold Mines index advanced 7.4 more to a record 461.9—its seventh successive rise.

Prices opened on a strong note and moved up following fresh Johannesburg buying but eased during the early afternoon following profit-taking.

However, the further advance by the gold price in New York prompted renewed buying from that source and prices moved up accordingly to close at the day's best levels.

Heavyweights were featured by "Amgold" which jumped £2⅝ to £49½, while "Johnnies" added a point to £33½. Buffels, ½ to £22½ and Western Deep a like amount to £27¾.

Among the medium priced stocks Blyvoor advanced 46 to 916p, ERGO 22 to 500p and Elandsrand 27 to 552p.

South African Financials closed below their best levels but still showed good gains. Anglo American put on 15 to 760p, after 770p while Gencor were finally 10 ahead at 950p, after 960p. De Beers continued to attract South African support and gained another 5 to 490p.

The strength of Golds prompted good gains in Platinums with Impala 22 firmer at 424p and Rustenburg 5 up at 310p.

Australians were featured by Golds. Poseidon jumped 18 to 312p, Gold Mines of Kalgoorlie advanced 25 to 475p and Hill 50 Gold put on 4 to 48p. Bougainville rose 5 to 120p, as did Northern Mining, 5 firmer at 125p, "ex rights."

Malaysian Tins moved ahead following a demand for Malayan Tin after the successful merger. Mayalan rose 13 to 112p, Berjuntai and Tongkah Harbour 10 apiece to 265p and 105p respectively. Tronoh Mines added 7 to 322p.

FINANCIAL TIMES STOCK INDICES

	Sept. 10	Sept. 9	Sept. 8	Sept. 5	Sept. 4	Sept. 3	A year ago
Government Secs.	71.09	71.04	69.53	69.44	68.95	69.04	72.73
Fixed Interest	71.98	70.83	70.67	70.50	70.15	69.95	73.46
Industrial	501.8	503.9	492.0	494.4	490.8	489.8	472.1
Gold Mines	461.9	454.5	447.5	428.0	410.5	405.0	199.5
Ord. Div. Yield	7.30	7.26	7.45	7.41	7.47	7.47	6.93
Earnings, Yld. % (full)	17.26	17.18	17.53	17.54	17.37	17.36	17.94
P/E Ratio (net) (*)	7.05	7.08	6.90	6.94	7.02	7.02	6.83
Total Bargains	23,742	21,781	20,382	18,751	18,787	16,365	15,549
Equity turnover £m.	—	129.25	100.42	111.72	118.00	97.88	79.43
Equity bargains total	—	16,784	16,106	14,028	15,608	14,046	12,85

10 am 504.7. 11 am 505.5. Noon 506.7. 1 pm 504.4. 2 pm 504.7. 3 pm 504.4.

Latest Index 01-246 8026.

* Nil = 8.58.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec., 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.86 (7/8)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	503.8 (9/9)	406.9 (8/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	461.9 (10/9)	265.6 (18/6)	461.9 (10/9/80)	45.5 (28/10/71)

S.E. ACTIVITY

	Sept. 10	Sept. 9
—Daily		
Gilt Edged	118.2	104.8
Industrials	127.7	112.8
Speculative	99.5	109.2
Totals	91.7	81.8
5-day Avrge.		
Gilt Edged	104.7	101.8
Industrials	107.8	105.1
Speculative	76.4	66.1
Totals	76.4	73.3

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (324)

BRITISH FUNDS (12)
CORPORATION LOANS (3)
AMERICANS (4)
BANKS (6)
BEERS (7)
BUILDINGS (7)
CHEMICALS (2)
DRAPERY & STORES (4)
ELECTRICALS (18)
ENGINEERING (5)
FOODS (9)
HOTELS (3)
INDUSTRIALS (18)
INSURANCE (11)
LEISURE (5)
MOTORS (1)
PAPER (1)
PROPERTY (37)
TEXTILES (1)
TOBACCOS (1)
TRUSTS (131)
OIL & GAS (2)
OVERSEAS TRADERS (3)
MINES (39)

NEW LOWS (25)

ENGINEERING (6)
Amalgamated Power, Ductile Steels, Brown & Tawse, Habit Precision, Downiebrae, Johnson & Firth Brown

FOODS (1)
Danish Bacon A

INDUSTRIALS (7)
Dom Holdings, Reed Executive, Hawkins & Tipson, Renmore, Longton Industrial, Stalls Potts, Macpherson (D.)

INSURANCE (1)
Edinburgh General Insurance

PROPERTY (1)
Hartley Industrial Trust

SHIPPING (1)
Common Brothers

SHOES (2)
Newbold & Burton, Scott (David)

TEXTILES (6)
Carpets Intern'l., Radley Fashions, Montfort, Stoddard A, Pickles (W.) A N/V, Youghal

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	62	18	15
Corpns. Dom. and Foreign Bonds	35	1	28
Industrials	397	117	880
Financial and Prop.	336	78	143
Oils	25	11	20
Plantations	2	2	20
Mines	76	20	61
Others	78	16	69
Totals	1,011	201	1,237

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979, based on Tuesday, September 9.

Gold Mines FT	+69.21	Industrial Group	+26.06
Electricals	+62.37	500-Share Index	+23.85
Merchant Banks	+57.66	Mechanical Engineering	+23.81
Insurance (Life)	+55.85	Other Groups	+22.41
Mining Finance	+55.58	Pharmaceutical Products	+22.32
Electronics, Radio and TV	+52.62	Consumer Goods (Non-Durable) Group	+20.99
Property	+46.31	Engineering Contractors	+20.49
Insurance (Composite)	+45.33	Tobaccos	+18.19
Shipping	+45.15	Food Manufacturing	+17.78
Investment Trusts	+40.29	Insurance Broking	+17.41
Capital Goods Group	+36.45	Breweries	+16.76
Hire Purchase	+36.04	Oils	+15.83
Discount Houses	+35.43	Chemicals	+15.74
Financial Group	+35.07	Metal and Metal Forming	+15.48
Food Retailing	+32.62	Wines and Spirits	+15.31
Consumer Goods (Durable) Group	+32.54	Newspapers and Publishing	+12.76
Contracting and Construction	+30.76	Packaging and Paper	+12.56
Overseas Trading	+30.69	Banks	+12.22
Building Material	+28.61	Office Equipment	+ 1.69
Stores	+28.21	Motors and Distributors	− 1.33
All-Share Index	+27.74	Textiles	− 4.68
Entertainment and Catering	+26.69	Household Goods	−23.54
		Toys and Games	−46.25

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Sept. 10, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Sept. 9 Index No.	Mon., Sept. 8 Index No.	Fri., Sept. 5 Index No.	Thurs. Sept. 4 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	292.94	+0.6	15.46	5.65	7.80	291.19	285.80	286.35	284.03	247.05
2	Building Materials (28)	258.98	+1.6	17.86	6.59	6.64	254.89	253.14	253.15	252.31	236.69
3	Contracting, Construction (27)	429.75	+1.2	21.63	5.67	5.49	424.63	422.77	422.38	419.75	394.82
4	Electricals (17)	892.06	—	10.84	2.99	11.29	892.48	861.03	864.94	851.53	635.45
5	Engineering Contractors (11)	348.62	+0.6	17.84	7.46	7.08	346.63	343.69	341.91	340.68	335.11
6	Mechanical Engineering (72)	186.65	+0.6	16.13	7.12	7.53	185.45	182.91	183.19	182.64	169.71
8	Metals and Metal Forming (16)	168.31	+0.6	20.93	9.98	5.71	167.33	166.87	167.09	166.40	160.78
	CONSUMER GOODS										
11	(DURABLE) (49)	253.25	+0.4	14.79	5.04	9.29	252.34	247.43	248.67	244.78	242.15
12	Lt. Electronics, Radio, TV (14)	392.58	+0.4	12.32	3.59	12.42	390.90	382.86	384.68	376.34	348.79
13	Household Goods (14)	89.00	—	27.03	11.51	4.66	89.00	89.24	89.16	89.26	146.71
14	Motors and Distributors (21)	102.41	+0.2	21.59	9.18	5.33	102.24	100.23	100.94	101.27	111.97
	CONSUMER GOODS										
21	(NON DURABLES) (172)	247.79	+0.5	16.69	6.52	7.24	246.50	243.11	243.31	241.91	240.11
22	Breweries (14)	296.63	+0.5	15.33	6.21	7.62	295.21	290.65	291.09	288.64	291.68
23	Wines and Spirits (5)	335.99	−0.6	18.20	6.06	6.50	338.01	333.88	330.33	327.48	333.50
24	Entertainment, Catering (17)	347.75	+0.4	16.67	6.43	7.39	346.45	339.31	337.55	336.03	314.39
25	Food Manufacturers (22)	225.05	+0.5	17.98	6.72	6.55	223.95	222.60	223.31	223.53	210.39
26	Food Retailing (13)	396.41	+1.6	11.82	3.91	10.07	390.00	385.95	387.27	383.71	309.28
32	Newspapers, Publishing (12)	434.81	+0.4	22.02	7.20	6.07	433.23	434.09	431.84	431.43	426.48
33	Packaging and Paper (15)	130.50	+0.6	27.08	10.03	4.30	129.73	127.36	128.82	128.26	132.04
34	Stores (45)	245.47	+0.2	12.67	5.12	10.29	245.09	241.08	241.30	238.48	241.50
35	Textiles (21)	120.29	+0.5	26.05	12.80	4.68	119.72	119.42	119.77	121.29	156.32
36	Tobaccos (3)	239.69	+1.9	23.94	9.71	4.75	235.16	230.71	230.71	230.71	245.94
37	Toys and Games (5)	25.58	—	8.79	14.90	26.31	25.58	25.78	25.78	25.97	71.24
41	OTHER GROUPS (99)	228.41	−0.3	15.55	6.83	7.71	229.12	226.82	227.59	226.79	206.82
42	Chemicals (16)	322.60	+0.4	17.05	7.53	6.88	321.42	316.45	315.85	314.87	290.09
43	Pharmaceutical Products (7)	235.19	−0.9	10.71	5.89	11.54	237.33	231.76	234.23	233.17	228.53
44	Office Equipment (6)	105.93	+0.4	19.40	7.83	6.02	105.53	105.68	107.35	107.27	121.74
45	Shipping (10)	596.85	−3.0	12.86	5.96	9.48	615.60	606.02	608.22	605.24	463.06
46	Miscellaneous (60)	281.24	−0.2	16.50	6.63	7.38	281.83	282.33	283.15	282.13	244.71
49	INDUSTRIAL GROUP (491)	262.73	+0.3	15.96	6.24	7.62	261.82	257.98	258.50	256.79	241.29
51	Oils (9)	806.08	−0.1	29.96	6.56	3.71	806.63	799.56	801.24	783.40	639.80
59	500 SHARE INDEX	305.85	+0.3	18.83	6.31	6.27	305.05	300.95	301.56	298.59	273.65
61	FINANCIAL GROUP (118)	249.95	+1.5	—	5.19	—	246.32	240.70	241.27	239.69	193.63
62	Banks (6)	250.69	+1.4	40.76	6.71	2.94	247.25	241.94	241.94	240.97	220.47
63	Discount Houses (10)	297.80	+0.3	—	5.96	—	296.99	286.67	286.36	287.89	259.45
64	Hire Purchase (5)	233.14	+3.7	10.64	4.33	12.68	224.91	223.01	223.78	219.98	173.51
65	Insurance (Life) (10)	251.41	+3.2	—	5.08	—	243.72	240.65	241.26	241.84	162.09
66	Insurance (Composite) (9)	177.14	+0.2	—	6.36	—	176.82	170.53	171.15	168.29	126.82
67	Insurance Brokers (9)	321.19	+2.3	14.42	7.18	9.50	314.12	316.07	318.58	320.40	276.42
68	Merchant Banks (12)	146.45	+3.5	—	4.86	—	141.50	140.36	141.67	141.54	103.89
69	Property (45)	469.71	+1.4	3.02	2.50	46.13	463.41	453.23	453.25	449.08	366.20
70	Miscellaneous (12)	153.45	+1.3	15.40	6.04	8.24	151.43	145.85	147.05	147.44	125.70
71	Investment Trusts (109)	275.76	+2.1	—	5.27	—	270.05	269.77	270.22	269.32	214.87
81	Mining Finance (5)	255.24	+1.3	11.77	4.10	10.23	251.98	253.97	248.36	247.99	131.62
91	Overseas Traders (20)	441.29	+1.6	11.40	6.69	10.58	434.40	432.19	433.25	431.68	343.23
99	ALL-SHARE INDEX (750)	295.48	+0.7	—	5.98	—	293.54	289.52	289.93	287.48	251.14

FIXED INTEREST PRICE INDICES

	British Government	Wed., Sept. 10	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.65	+0.10	—	7.62
2	5-15 years	113.73	+0.08	—	8.81
3	Over 15 years	120.18	+0.22	—	9.56
4	Irredeemables	132.83	+0.61	—	9.02
5	All stocks	113.28	+0.15	—	8.55

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Wed., Sept. 10	Tues., Sept. 9	Year ago (approx.)
1	Low Coupons	5 years	11.54	11.57	10.22
2		15 years	11.53	11.57	10.68
3		25 years	11.53	11.57	11.13
4	Medium Coupons	5 years	12.86	12.84	12.13
5		15 years	12.97	12.84	12.24
6		25 years	12.77	12.83	12.36
7	High Coupons	5 years	13.00	13.00	12.57
8		15 years	13.30	13.32	12.72
9		25 years	12.93	13.00	12.61
10	Irredeemables		11.10	11.17	10.92

		Wed., Sept. 10 Index No.	Yield %	Tues. Sept. 9	Mon. Sept. 8	Friday Sept. 5	Thur. Sept. 4	Wed. Sept. 3	Tues. Sept. 2	Mon. Sept. 1	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	53.28	†13.91	53.06	52.91	52.71	52.70	53.31	53.26	53.17	58.60
16	Investment Trust Prefs. (15)	51.28	15.18	51.29	51.37	50.54	50.50	50.09	50.09	49.90	61.72
17	Coml. and Indl. Prefs. (20)	67.91	13.32	67.76	67.88	67.50	67.54	67.68	67.85	67.89	71.29

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Anglo-Amer Corp	R0.10	10	760	+15	760	485
Plessey	50p	10	252	+ 2	255	108
BAT Inds.	25p	9	293	+ 5	293	223
GEC	25p	9	517	− 5	525	328
Dubilier	5p	8	73½	+ 3½	74	31½
ICL	25p	8	196	+ 6	196	111
Impala Platinum	R0.20	8	424	+22	424	240
Land Securities	50p	8	393	+ 4	393	237
P. & O. Defd.	£1	8	122	−14	136	105
Racal Electrcs.	25p	7	333	− 3	336	175
Cons. Gold Fields	25p	6	570	+ 4	580	385
Gus A	25p	6	468	—	470	340
Lloyds Bank	£1	6	335	+ 5	356	277
NatWest Bank	£1	6	400	+ 5	400	305
Stand. Chrtd. Bk.	£1	6	605	+10	605	465

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 8	Sept. 19	Dec. 4	Dec. 15
Sept. 22	Oct. 3	Dec. 18	Dec. 29
Oct. 6	Oct. 17	Jan. 8	Jan. 19

For rate indications see end of Share Information Service

Money was given for the call in Coral Leisure, Cons. Gold Fields, Town and City Properties, Target Petroleum, P & O Deferred, Bond Street Fabrics, Jentique, Laganvale Estates, Chloride, Pentos, United City Merchants, Premier Oil, Lex Service, Dunlop, Northern Engineering Industries, Guinness Peat, Clive Discount, Renwick, BSG, Thomas Borthwick, Mallinson Denny, Turner and Newall, Grootvlei, Aran Energy and Leslie Gold. No puts were reported, but doubles were completed in MFI, FNFC and Jardine Matheson.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
Hope St. Fd. Aug. 31 US$40.24
Murray Fund Aug. 31 US$10.71

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bermuda.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	50.9	54.8	+0.9	2.65
Abbey Capital	43.4	46.9	+0.9	5.22
Abbey General	54.5	58.9	+1.2	5.33
Abbey Gilt & F.I. Tst.	114.6	120.7	+2.4	11.33
Abbey Income	35.0	37.8	+0.4	9.15
Abbey W'Wide Bd Tst.	93.0	98.8	+0.6	6.87
Abbey Inv. Tst. Fnd.	46.5	50.3	+0.8	5.05
Equitas Prog. Trust	82.4	89.1	+1.5	4.84

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	93.4	98.3	+3.8	12.52

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	86.5	92.6	+1.5	5.99
Brit. Inds. Fund	77.7	83.1	+1.1	6.26
Growth & Income	48.5	51.9	+0.9	5.36
Elect. & Ind. Dev.	43.6	46.7	+0.7	5.28
Allied Capital	93.0	99.5	+1.9	4.47
Hambro Fund	134.2	143.6	+2.5	56.08
Hambro Acc. Fund	170.4	182.3	+3.0	4.94
Income Funds				
High Yield Fd.	65.0	69.5	+0.5	9.93
High Income	76.7	82.1	+1.0	1.73
A. H. Eq. Inc.	45.0	48.2	+0.8	7.53
Govt. Secs.	26.8	27.5	+0.6	11.56
International Funds				
International	37.7	33.9	+0.3	3.19
Pacific Fund	55.8	57.8	+1.4	2.14
Secs. Of America	64.1	68.6	+0.9	2.62
Specialist Funds				
Smaller Co.'s Fd.	51.6	55.2	+0.4	4.62
2nd Smlr. Co's Fd.	60.3	64.5	+0.9	4.65
Recovery Sits.	128.8	137.8	+1.9	6.06
Met. Min. & C'dty.	69.6	74.5	+1.4	3.96
Overseas Earnings	67.5	72.2	+1.2	5.33
Exempt Funds				
Income Exempt	59.2	50.0		8.50
Far East Exempt		61.6	+0.5	2.44

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	67.9	71.4		4.06

For Cosmopolitan see Chieftain Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	37.1	40.5	+0.2	11.16
North American	53.3	57.8	+0.5	3.00
Canadian Exempt*	60.9	64.3		3.67
Canadian Trust	61.3	66.1	+0.5	2.72
Mid Mount High Inc.*	48.4	51.2		9.43
Recovery	56.0	61.6	+0.4	7.08
Gilt Trust	44.9	47.0	+1.0	12.32

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	32.7	35.3	+0.3	1.07
Cres. Internat'l.	67.4	71.9	+0.8	2.45
Cres. High. Dist.	42.5	46.8	+1.4	10.41
Cres. Reserves	50.8	54.7	+0.9	5.48
Cres. Tokyo	22.3	24.0	+0.9	1.00

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	24.0	25.5		12.20

Discretionary Unit Fund Managers
Bilbao Hse, 36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Aug. 29	223.7	238.5		5.50

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	£4.67	4.77		7.60
Gt. Winchester O'seas	23.6	26.4		4.22

Emson & Dudley Tst. Mngmnt. Ltd.
20 Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	82.1	88.3		6.00

Equity & Law Un. Tr. M. (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	87.9	92.5	+1.9	4.72

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	28.3	30.5	+0.5	1.08
Gilt + Fixed Int.	26.0	27.4	+0.3	12.00
Growth + Income	31.5	33.8	+0.3	7.21
Special Sits.	35.5	38.2	+0.4	2.38

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	34.0	36.7	+1.2	1.62
Accum. Units	42.0	45.3	+1.5	1.62
J. Finlay High Income	35.7	38.6	+0.8	[illegible]

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (C.I.)	[illegible]	151.02		1.38

Next dealing Sept. 26.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$12.81	-0.03	—

Net asset value Sept. 10.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.22	10.25		10.74
AHR Gilt Edg. Fd.	£12.33	12.39	+0.46	13.07

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Daily dealings: Sept. 9 0.000245 (9.4% p.a.)

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

East & Intl. Tst. (C.I.)	119.0	125.0		3.00
Dealing day Thurs.				
Gov't Secs. Tst. (C.I.)	94.7	99.2	+1.4	14.30
Daily Dealings.				
Sterling Fd.	115.3	115.4	+0.3	—
Dealing on Wed.				

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	US$106.63	109.28		9.15

Prices at Sept. 4. Next sub. day Sept. 10.

Banque Bruxelles Lambert

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Capital Reserve Fd†	£12.09	12.10		0.25
C.I. Fund	188.4	200.6		3.25
Special Sits. Fund	60.6	62.5		2.83
Intnl. Bond	US$106.11	109.39		8.43
Int. Equity	US$15.54	17.05		0.93
Int. Svgs. 'A' $US	1.20	1.26		—
Int. Svgs. 'B'	1.70	1.75		—

Prices on Sept. 10. Next dealing Sept. 17.
†Excludes initial charge on small orders.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

1980 High	Low	Stock	Price £	+ or -	Int.	Red. Yield
[illegible]	75⅝	Treasury 10½pc 1999	[illegible]	[illegible]	12.52	12.78
103¾	94¾	Treas. 13pc 2000	103⅛	+¼	13.05	13.06
110⅝	94⅛	Treas. 14pc '98-01	109¾	+⅛	13.27	13.18
95⅞	81⅞	Exch. 12pc '99-02	95½	+¼	12.79	12.83
107⅛	91¼	Treas. 13¾pc 2000-03	106¼	+⅜	13.16	13.09
97	78⅞	Treasury 11½pc '01-04	90½xd	......	12.67	12.75
40¾	34⅞	Funding 3½pc '99-04	40⅛	+⅛	8.84	10.49
102	85⅝	Treasury 12½pc '03-05	101	+⅛	12.25	12.36
72⅞	59¾	Treasury 8pc '02-06‡‡	68⅜xd	......	11.61	11.89
95½	80¼	Treasury 11¾pc 03-07	94⅞	+¼	12.67	12.59
109	94½	Treas. 13½pc '04-08	103⅜xd	+⅝	12.98	12.97
53¼	42⅞	Treasury 5½pc '08-12‡‡	50½xd	−⅛	10.97	11.32
68⅞	57½	Treasury 7¾pc '12-15‡‡	67⅛	+⅛	11.69	11.80
100½	85⅛	Exch. 12pc '13-'17	96¾	+¼	12.53	12.52

Undated

1980 High	Low	Stock	Price £	+ or -	Int.	Red. Yield
33⅞	29	Consols 4pc	33⅞	+½	12.14	—
33¾	28⅞	War Loan 3½pc‡‡	33⅛	+¼	10.88	—
37¼	32¾	Conv. 3½pc '61 Aft.	35⅝xd	......	9.84	—
25¾	21⅝	Treasury 3pc 66 Aft.	24⅝xd	+⅛	12.28	—
22⅞	19½	Consols 2½pc	21⅝xd	+⅛	11.47	—
22	17⅞	Treasury 2½pc	20½xd	+⅛	12.11	—

INTERNATIONAL BANK

87½	78	5pc Stock '77-82	86¼	+½	5.80	13.28

CORPORATION LOANS

97½	83⅝	Bath 11¼pc 1985	97½	+2½	12.05	13.00
98¼	89½	Birm'ham 12½pc 1985	97½	+¼	12.80	13.18
99½	96¼	Bristol 13¾pc 1981	99⅜xd	......	13.84	15.15
102½	90	Burnley 13pc 1987	102½	+2½	13.12	13.21
95¾	82⅜	Cardiff 11pc 1986	95¾	+2½	11.98	12.98
98¾	93	G.L.C. 12½pc '82	98⅛	+½	12.74	13.75
98¾	90¾	Do. 12½pc 1983	98xd	+½	12.76	13.34
92	84¼	Glasgow 9¼pc '80-82	91¼	+½	10.98	15.78
75⅜	64½	Herts 6¾pc 1985-87	75¾xd	+2¼	9.05	12.31
90½	81¼	Liverpool 9¼pc '80-84	90	+¼	10.83	13.24
27	24	Do. 3½pc Irred.	26¼xd	+1¼	13.43	—
100¼	92½	Lon. Corp. 13¼pc '83	99½	+1	13.27	13.30
94	79¼	Do. 9¼pc '84-85	88¾xd	+2	10.36	12.12
80½	71	L.C.C. 5½pc '82-84	80	+½	6.88	12.14
70¼	60½	Do. 5½pc '85-87	70¼	+2¼	7.96	12.41
69¼	60¾	Do 6¼pc '88-90	69¼	+2¼	9.39	12.42
23¾	21	Do. 3pc '20 Aft.	23¼	+1¼	12.82	—
97½	87¼	Sunderland 12¼pc 1984	97	+1	12.64	13.16

COMMONWEALTH AND AFRICAN LOANS

91	82¼	Aust. 5½pc '81-82	89xd	......	6.23	14.11
85¼	72½	Do. 6pc 1981-83	84	+¼	7.28	12.84
67	58	N.Z. 7¼pc 1988-92	65½	......	11.22	13.37
81½	72	Do. 7½pc '83-86	81	......	9.47	12.67
96¼	88	Sth. Africa 9½pc '79-81	96¼	......	10.23	16.49
160	95	S. Rhod. 2½pc Non-Ass.	100	......	—	26.91
169	133	Do. 6pc '78-81 N.-As.	145	......	—	27.87

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

22¾	13¼	Hollinger $5	[illegible]	[illegible]	[illegible]	—	[illegible]
11⅛	850p	Hudson's Bay II	910pxd	+15	‡$1.20	—	5.0
14¼	925p	Hud.B.Oil G. $2½	11½	+⅛	h57½	—	1.9
21⅞	13½	Imperial Oil II	14⅝	+⅛	$1.40	—	3.6
14	855p	Inco II	12½	+¼	72c	—	2.6
565p	425p	Int. Nat. Gas $1	525p	......	$1.00	—	7.2
495p	265p	Massey Ferg. II	300p	......	—	—	—
200p	100p	Place Gas $1	105p	+5	—	—	—
14⅞	10	Rio Algom	11⅛	+¼	$1.50	—	4.7
20	14⅞	Royal Bk. Can. $2	19⅝	+⅝	$2.56	—	4.9
25½	15⅞	Seagram Co. C$1	24⅞	......	‡US$1.10	—	2.0
12	890p	Tor. Dom. Bk. $1	10⅛	−⅛	$1.44	—	5.1
10½	815p	Trans Can. Pipe	825p	......	$1.16	—	5.3

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Contd.

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

187	140	Rowntree M. 50p	172	+2	7.25	3.2	6.0	5.8
£16	£12¼	Safeway Stores	£14	+¼	Q$2.60	—	8.3	—
512	280	Sainsbury (J.)	512	+11	10.25	3.3	2.9	12.2
19	13½	Single 10p	15½	+½	F1.3	—	12.0	—
245	78	Somportex	245xd	+5	5.63	ϕ	3.3	ϕ
39	23	Squirrel H'n 12½p	26xd	......	1.81	2.6	10.0	4.4
104	77	Stocks (Jos.) 10p	85xd	......	3.5	ϕ	5.9	ϕ
170	118	Tate & Lyle £1	150	......	10.5	1.7	9.5	8.1
35	18	Tavener Rut. 20p	24	......	—	—	—	—
75	54	Tesco 5p	58½	+1½	2.45	3.1	6.0	(5.9)
137	108	Unigate	113	......	5.7	2.7	7.2	5.9
92	60	United Biscuits	89	......	M3.7	2.9	5.9	6.5
43	32	Watson Philp. 10p	33½	......	t3.0	1.9	12.8	4.8

HOTELS AND CATERERS

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
78	56	Brent Walker 5p	63	−2	1.75	[illegible]	4.0	5.8
28½	21	Comfort Int. 10p	22	+½	0.54	[illegible]	3.5	9.8
250	185	De Vere Hotels	210	......	6.0	[illegible]	4.1	22.3
23½	15½	Epicure 5p	25½	......	td1.0	[illegible]	6.2	12.3
167	120	Grand Met. 50p	158	......	†5.75	[illegible]	5.2	6.9
88	63	Kennedy Br'ees 10p	83	......	—	—	—	11.6
100	95	Kursaal (M't.c25)	100	......	Q12½%	[illegible]	4.1	15.9
203	122	Ladbroke 10p	205xd	+1	td11.75	[illegible]	8.3	4.3
26½	19	Mt. Charlotte 10p	23	......	0.7	[illegible]	4.3	8.1
44	35	Norfolk Cap 5p	37	......	ϕ1.2	[illegible]	4.6	13.7
30	21	North (M. F.) 10p	24	......	0.8	[illegible]	4.8	12.0
93	68	Prince of Wales	73	......	1.72	4.7	3.4	6.7
38½	30½	Queen's Moat 5p	38½xd	+1	†0.75	[illegible]	2.8	16.7
175	149	Rowton Hotels	168	......	9.0	[illegible]	7.7	9.6
21	11½	Ryan Hotels 5p	11½	......	1.5	[illegible]	16.3	9.9
140	100	Savoy "A" 10p	125	......	1.15	[illegible]	1.3	—
53½	29¼	Stakis (Reo) 10p	53½	+2	h1.17	[illegible]	3.1	10.2
200	132	Trusthouse Forte	185	......	†8.0	[illegible]	6.2	9.3
51	40	Warner Hlds. 'A' 10p	50	......	2.25	[illegible]	6.4	5.4
310	200	Wheeler's 10p	270	......	5.28	2.1	17.5	3.8

INDUSTRIALS (Miscel.)

175	116	A.A.H.	164xd	......	8.5	ϕ	7.4	ϕ
£19	£16	AGA AB K50	£18½	+½	Q13%	4.3	3.3	6.1
217	153	AGB Research 10p	217xd	+10	6.0	ϕ	4.0	ϕ
70	53	Aaronson Bros. 10p	58	+1	4.2	2.2	10.3	5.2
40	29	Abbey Ltd.	33	......	Q5.45	ϕ	13.9	ϕ
555	212	Aero & General	515	−20	3.5	ϕ	1.0	ϕ
38	21	Aero Needles	21	......	1.5	2.3	10.9	(5.2)
24	9½	Airfix Inds. 20p	10	......	‡3.66	1.2	‡	(2.5)
128	50	Alpine Hldgs. 5p	50	......	5.25	2.8	15.0	3.3
290	225	Amal. Metal (£1)	232	−1	14.0	3.1	8.6	(9.9)
38	32	Amber Inds. 10p	38	......	12.5	3.3	9.4	5.3

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INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C.
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هكذا من الأصل

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[illegible]

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[illegible]

INSURANCE—Continued

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[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	......	—	—	—
24	12	ACM 20c	20	......	—	—	—
138	52½	Bond Corp.	122	......	hQ2.5c	2.3	1.2
156	88	Bougainville I Kina.	120	+5	[illegible]	1.0	11.7
356	230	CRA 50c	303	−6	†Q15c	2.1	2.6
25	11½	Canada Northwest	18½	......	—	—	—
42	8	Carr Boyd 20c	34	+1	—	—	—
£36¾	£15¼	Central Pacific	£32½	−¼	—	—	—
41	17	Cultus Pacific N.L.	31	......	—	—	—

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
257	53	Colby Res. Corp.	257	+7	—	—	—
502	285	Cons. Murch. 10c.	250	......	‡Q100c	1.8	16.4
180	80	††Hemerdon 10c.	20	......	—	—	—
585	325	Northgate C$1	460	−25	—	—	—
485	327	R.T.Z.	475	+9	15.0	3.2	4.5
33	16	Robert Mines	27	+2	—	—	—
112	91	††SPO Minerals 10p	94	......	—	—	—
58	26	Sabina Inds. C$1.	42	−1	—	—	—
51	31	††SWCM 10p	41	+1	—	—	—
650	113	Tara Exptn. $1	565	+34	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- Regional price.
- No par value.

Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	35	+1	Conv. 9% '80/82	£95⅝	+⅛
Bertam	15	......	Nat. 9¼% 84/89	£82⅞	+⅛
Bdg'wtr. Est. 50p	450	+5	Fin. 13% 97/02	£97⅝	+⅜
Craig & Rose £1	£32	......	Alliance Gas	51	−2
Fife Forge	35	......	Arnott	200	......
Finlay Pkg. 5p	19	......	Carroll (P.J.)	70	......
Graig Ship. £1	£12	......	Clondalkin	122	......
Higsons Brew.	77	+2	Concrete Prods.	28xd	......
Holt (Jos) 25p	260	......	Helton (Hldgs.)	29	......
I.O.M. Stm. £1	152	......	Ins. Corp.	275	......
Pearce (C. H.)	465	......	Irish Ropes	41	......
Peel Mills	45	......	Jacob	31	......
Sheff. Refrshmt.	102	......	T.M.G.	75	......
Sindall (Wm.)	140	......	Unidare	77	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	9	Invresk	4	**Property**	
Barclays Bank	34	Ladbroke	15	Brit. Land	7
Beecham	30	Legal & Gen.	15	Cap. Counties	9
Blue Circle	25	Lex Service	6	Land Secs.	34
Boots	16	Lloyds Bank	20	MEPC	17
Bowaters	16	"Lots"	3½	Peachey	13
B.A.T.	28	London Brick	6	Samuel Props.	12
Brown (J.)	6	Lucas Inds.	17	Town & City	2
Burton 'A'	18	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr.	8	Brit. Petroleum	32
Courtaulds	6	Midland Bank	26	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	10
Distillers	17	Nat. West. Bank	27	KCA	11
Dunlop	7½	P & O Dfd.	10	Premier	15
Eagle Star	15	Plessey	14	Shell	35
F.N.F.C.	2¼	Racal Elect.	22	Tricentrol	40
Gen. Accident	21	R.H.M.	4½	Ultramar	35
Gen. Electric	30	Rank Org.	15	**Mines**	
Glaxo	18	Reed Intnl.	16	Charter Cons.	14
Grand Met.	12	Sears	5	Cons. Gold	40
G.U.S. 'A'	34	Tesco	6	Lonrho	6
Guardian	23	Thorn	29	Rio T. Zinc	35
G.K.N.	20	Trust Houses	12		
Hawker Sidd.	15	Tube Invest.	23		
House of Fraser	13	Unilever	49		
		U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

FINANCIAL TIMES

Thursday September 11 1980

France aims to boost economy

By Robert Mauthner in Paris

THE FRENCH draft hudget for 1981, adopted hy the Cahinct yesterday, combines a limitation of public spending and the overall deficit with tax incentives to investment, aimed at stimulating the *flagging* economy.

The most important measure in the budget is the aid which will be giveo to investment in the next five years—the duration of the eighth Plan—through tax incentives.

From Octoher 1, all companies will he entitled to deduct from their taxahle profits a sum equal to 10 per cent of their annual investmeots. It is calculated that this measure will cost the Treasury about FFr 5bn (£500m) a year, or FFr 25bn to the end of 1985, the period during which the scheme remains valid.

The investment incentives come on top of the FFr 1hn package of measures to stimulate export industries and the FFr 1hn in extra *handouts* to parents and old people to stimulate consumption, adopted by the Government only a week ago.

The Government has earmarked FFr 6.5hn for a special economic development fuod, to be used only if it is considered that the economy urgently needs an injection of funds.

The overall deficit has been kept down to FFr 29.4bn (about £3bo), compared with an initial projected shortfall of FFr 31bn in 1980 and a probable outcome for the year of FFr 35bn. If the deficit target is met, which has rarely been the case over the past few years, the shortfall will represent only 0.95 per cent of GDP in 1981.

Clearly with an eye on next spring's presidential election, the Government has carried out its promise not to increase the burden of income tax. Most income-tax hands have been adjusted by 13.3 per cent only to take account of inflation, which means only those in the very top income brackets will have to pay more taxes in real terms.

But what the Government has conceded in income tax it has partially made up in increased tax receipts from other sources. Apart from raising duties on spirits and tobacco, it has imposed stiffer taxes on oil companies operating in France.

This measure will mainly affect the French state-owned Elf-Aquitaine group, which exploits the natural gasfield Lacq, in south-western France, and to a much lesser extent, Esso, which produces some oil in the nearby Landes region.

Editorial comments, Page 18

Weather

UK TODAY

BRIGHT BECOMING cloudy, with showers and heavy rain aod strong, gale-force and cyclonic winds.

London, S.E., C.S., C.N., N.E. and E. England, E. Anglia, E. and W. Midlands, Channel Islands

Dry with sunny intervals, becoming cloudy with heavy rain at times and cyclonic winds later. Max. temps 17C (63F) to 19C (66F).

N.W. England, Lake District, N. Wales, I.o.M., Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, C. Highlands, Argyll, N. Ireland

Bright at first, heavy rain, showars later.

S.W. England and S. Wales Aberdeen, Moray Firth, N.E. and N.W. Scotland, Orkney, Shetland

Cloudy, scattered showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	23	73	Lisbon	S	28	82
Algiers	S	28	82	Locarno	F	23	73
Amsdm.	C	15	59	London	C	18	64
Athens	S	26	79	Luxmbg.	C	13	55
Bahrain	S	31	88	Luxor	S	36	97
Barcina.	F	24	75	Madrid	F	25	79
Beirut	F	28	82	Majorca	C	24	75
Belfast	R	13	55	Malaga	S	26	79
Belgrd.	R	20	68	Malta	S	28	82
Berlin	F	18	64	Mchstr.	R	14	57
Biarritz	F	20	68	Milan	F	22	72
Bmghm.	C	17	63	M'ntreal	S	11	52
Blackp'l	C	15	59	Moscow	F	22	72
Bordx.	F	20	68	Munich	C	12	54
Boulgn.	R	15	61	Naples	F	25	77
Bristol	C	18	64	Nwcstl.	R	15	61
Brussels	C	14	57	N. York	C	21	70
Budpst.	R	13	55	Nice	C	22	72
Cardiff	C	17	63	Nicosia	S	27	81
Casbca.	S	28	82	Oporto	S	28	82
Cologne	C	16	61	Oslo	S	17	63
Cpnhgn.	F	16	61	Paris	C	16	61
Corfu	F	27	81	Perth	S	18	64
Dublin	C	16	61	Prague	F	11	52
Dbrvnk.	S	24	75	Reykjvk.	S	9	48
Ednbgh.	C	15	59	Rhodes	S	28	82
Faro	S	29	84	Rome	F	24	75
Florence	C	27	81	Salzb'rg	C	13	55
Frankf't	C	16	61	Singapr	F	30	86
Funchal	C	23	73	Stckhm	F	16	61
Geneva	C	17	63	Strasb'g	F	17	63
Gibrltr.	S	25	77	Tangier	S	29	84
Glasgow	C	14	57	Tehran	S	28	82
G'rnsey	R	16	61	Tel Aviv	S	27	81
Helsinki	F	16	61	Tenerife	F	19	66
H. Kong	F	30	86	Tokyo	R	23	73
Innsbr'k	C	16	61	Tunis	F	29	84
Invrnss	R	11	52	Valencia	F	25	77
I.o Man	F	15	59	Venice	S	18	64
Istanbul	F	22	72	Vienna	C	14	57
Jersey	R	17	63	Warsaw	C	15	59
L. Plms.	F	24	75	Zurich	F	14	57

C—Cloudy. F—Fair. R—Rain. S—Sunny

China's new leaders approved

BY TONY WALKER IN PEKING

CHINA'S NATIONAL People's Congress closed yesterday with an official endorsement of a new Prime Minister and new Vice-Premiers in one of the largest leadership reshuffles in its history.

Six Vice-Premiers together with Premier Hua Guofeng resigned their state jobs and another was sacked.

These changes are designed to put China's modernisation programme in more expert hands, with emphasis on economic managers such as Zhao Ziyang, who has formally taken over as Premier.

The Congress approved a shift of direction in China's economic policy towards a more market-oriented system. State enterprises will bear more responsibility for running their own affairs and be expected to be profitable.

Delegates passed laws establishing a tax rate for joint ventures with foreign partners. The Congress also paved the way for income-tax to be introduced to China and the tax system to be restructured.

In this combination of leadership changes and economic reforms, the third session of the fifth Congress—the country's Parliament — is regarded as one of the most important yet held.

Debates were also more open and foreign journalists and diplomats were able to attend key sessions.

At yesterday's meeting, two of the 3,221 delegates took the unusual step of openly voting against or abstaining on an important amendment to the constitution.

Those appointed Vice Premiers include Huang Hua, the 67-year-old Foreign Minister, Yang Jingren, 62, minority nationalities' leader and Zhang Aiping, 70, now Deputy Chief of the General Staff of the People's Liberation Army.

Vice Premiers who resigned included Deng Xiaoping, who as a senior party leader will continue to have a major role in supervising the changes he initiated, Li Xiannian and Chen Yun. All three are members of the standing committee of China's ruling politburo.

Zhao Ziyang, 62, is also a member of the politburo's standing committee, ranking seventh in the hierarchy of the Communist Party.

The closing address to the Congress was given by Marshal Ye Jianying who paid tribute to older Vice Premiers who had retired.

The number of Vice Premiers is now 13, down from 17. The normal number in years past was about 12.

The closing of the State Congress clears the way for the holding of a National Party Congress, perhaps late this year or early next year.

The Party Congress will tackle difficult questions relating to a judgment of Mao's contribution to the revolution including a revision of the fifth volume of his selected works.

In the meantime, a trial of the so-called Gang of Four, headed by Mao's widow, Jiang Qing, is expected to be held, perhaps starting in the next few weeks.

EEC Commission seeks control of shipyard aid

BY JOHN WYLES IN BRUSSELS

EEC member states look set to adopt by the end of the year a shipbuilding directive, approved by the Brussels Commission yesterday, which for the first time could give Brussels powers of approval over all financial aid for loss-making shipyards and over schemes to encourage shipowners to place more orders.

With Community shipbuilding industries still savagely depressed and all but overwhelmed by Japanese competition in the first half of this year, the directive is intended to prolong measures introduced by the fourth directive in 1978.

That expires at the end of this year. It allowed governments to provide aid, providing it was linked to the reduction of shipyard capacity and, among other things, was designed to prevent destructive competition among the Nine.

The new draft, while broadly similar, contains several elements designed to bring more openness to aids for both private and publicly-owned shipbuilders.

The draft has been welcomed by the Nine in preliminary working group discussions, with only Italy raising detailed objections. Like the UK industry, Italian shipbuilding is largely state-owned and Italy has opposed the directive's attempt to bring compensation for overall financial losses within the scope of disciplines to be administered from Brussels.

But the Commission believes that, in deciding how much state aid is justified by market conditions, it must also be free to take into account the impact of losses subsidised by governments or private holding companies on orders and restructuring programmes.

Until now, member states which aid shipowners (mainly Belgium and Denmark) have had only to report their schemes to the Commission. These reports indicate that such direct incentives result almost exclusively in orders for home shipyards.

By bringing the incentives into the scope of the directive, the commission hopes to ensure that restructuring programmes are not artificially delayed and shipyards of other member states are not discriminated against.

The Commission also wants to distinguish between emergency rescue aid for a shipbuilding or ship repair yard, and production aid which can only be linked to restructuring. Italy does not make this distinction in its aid programmes and also objects to this provision.

It is conceded that most EEC shipbuilding industries have been pared back to the bone and that a 35 per cent drop in employment between 1975 and 1979 and a 40 per cent drop in output leave little further room for restructuring.

Thus the Commission decided that, with no speedy end to the industry's crisis in sight, the notion of restructuring must be interpreted more flexibly so that more emphasis is put on modernisation and rationalisation rather than on pure reduction of capacity.

ITT threatens to sell subsidiary unless it wins French orders

BY TERRY DODSWORTH IN PARIS

THE International Telephone and Telegraph Corporation, the U.S. conglomerate, has directly warned the French authorities that it might sell CGCT, its telecommunications subsidiary in France, if it is not given French Post Office orders for its new telephone-exchange equipment.

The threat was delivered by Mr. John Guilfoyle, head of ITT Europe. It comes two years after the group's System 12 digital-exchange equipment was introduced by its European subsidiaries in Belgium, West Germany and France.

System 12 has been sold to several European countries. But it has not won an order in France, in spite of the rapid expansion of the country's telephone network which is providing strong support for the two indigenous companies, CIT-Alcatel and Thomson-CSF.

The French subsidiary yesterday denied reports that it might have to make up to 1,000 of its 9,000 workforce redundant next year if the orders were not forthcoming. But it sai dit was running into an extremely difficult situation as sales of its current system, Metaconta, decline.

Last year, CGCT lost FFr 106m ($26.5m) on a turnover of FFr 1.7hn It is forecasting lower losses for this year.

CGCT can point to a strong export record to support its claims. Its sales overseas amount to about 16 per cent of its turnover and account at present for 40 per cent of total French telecommunications exports.

The company says these export sales will also be threatened if it does not have the approval of the French Post Office (PTT) to support its efforts overseas. CIT-Alcatel and Thomson-CSF have a close understanding with the PTT, which has itself been keen to expand the country's telecommunications exports.

In the past few months these points have been put to both the PTT and the Government including, it is believed, M. Raymond Barre, the Prime Minister.

The company is resorting to public pressure now because it needs a considerable lead-time in advance of delivery, due to begin for other ITT subsidiaries at the end of next year. CGCT says French orders of at least 200,000 lines a year will be necessary to keep it in being at its present size.

ITT has run down its operations in France in recent years. Its biggest divestment, about four years ago, was directly due to Government intervention. It was virtually forced to sell off its LMT telecommunications subsidiary to Thomson to help the French group establish a viable size in this sector.

Since then, in its phase of overseas retrenchment, ITT has divested itself of Oceanic, its television-set subsidiary, Lampes Claude, a light-bulb producer, and several smaller companies.

Prentice talk in Australia

MR. REG PRENTICE, a former Labour cabinet minister and now Minister for Social Security, is to give a lecture in Australia, "The Decline of the British Labour Movement."

The event is the annual Sir Robert Menzies memorial lecture, organised by the Australian Liberal Party.

Mr. Prentice is to describe the decline of the Labour Party from the days of Attlee and Bevio until, as he put it, "its pathetic situation today."

Steel bid to save defence policy

By Richard Evans, Lobby Editor

MR. DAVID STEEL, the Liberal leader, lauoched an urgent attempt last night to prevent his party backing a politically damaging defence policy which would involve the break-up of NATO.

Party leaders fear that in today's defence debate at the Liberal confereoce in Blackpool, delegates will reject the official policy of support for NATO and will instead favour an integrated European defence force free of U.S. influence.

Mr. Steel believes this would not only frustrate attempts to establish a coherent and electorally appealing policy but—combined with the prospect of a vote for unilateral nuclear disarmament at the Labour conference next mooth — would seriously undermine Britain's defeoce posture.

Spelling out his party's current policy of firm support for NATO, opposition to an independent nuclear deterrent, and the gradual withdrawal of nuclear weapons from both sides of the Iron Curtain, Mr. Steel warned the Liberal Candidates' Association at a private dinner in Blackpool of the dangers facing the party.

He said that the proposal for an integrated European defence force was "pie in the sky" which would leave Britain with no practical system of defence.

It had been the unanimous conclusion of European Liberal leaders, meeting in West Berlin last week, that there must be no weakening of resolve in advance of the crucial disarmament talks hetween Mr. Aodrei Gromyko, the Soviet Foreign Minister, and Mr. Edmund Muskie, the U.S. Secretary of State.

If the European option is accepted—a further option calling for unilateral nuclear disarmament is expected to be defeated—Mr. Steel may be forced to make a Gaitskellian "fight, fight, fight again" speech to the assembly tomorrow.

There appears to be no prospect of the leadership's accepting such a proposal. Mr. Stephen Ross, defeoce spokesman, waroed last night that there might have to be a referendum among party members to seek to reverse such a decision.

Two Liberal MPs, Mr. Richard Wainwright (Colne Valley) and Mr. David Alton (Liverpool Edge Hill) are supporting the European defence force option.

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Gold price

towards the $620 level over the past two months.

Silver's rise has been even stronger. On the spot market the metal closed yesterday at £8.24 per troy ounce, up 46.5 pence from Tuesday, and the higbest since March. This represents a rise of £1.49 or 22 per cent compared with the end of August. Platinum closed at £297.75 per ouoce, up £7.95.

Buying yesterday came from all sides with investors in the U.S. and the Middle East spearheading demand. "Once the market starts to move, everybody piles in," said one dealer.

However, gold finished $5 below the day's high of $689.50 as profit-taking set in towards the close.

The market is waiting to see if the price can breach $700 per ounce, which is felt to be a crucial level that could trigger either heavy-profit taking or a fresh wave of buying.

In dollar terms, silver is poised just below a similar psychological barrier—the $20 per ounce level. This it last breached on tha way down from its $50 per ounce high reached at the beginning of the year.

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Thatcher

believed the country "had what it takes" to surmount its difficulties but it would have to demonstrate a oew respect for the risktakers and a new determioatioo to succeed.

In an interview on Indepeodent Televiaion News last night Mr. Callaghan said he was not going to be "fobbed off, with some simple answer."

The Government's mooetary policy had failed and its moral authority had collapsed. It apparently had no other policies to offer.

"But there are alternatives," be asserted. Labour would press for changes involving more public spending and an immediate 4 per cent cut in interest rates.

Richard Evans, Lobby Editor, writes: The Liberal Assembly in Blackpool yesterday voted overwhelmingly for immediate Government action to reduce unemployment, but the Liberal leadership is against an early recall of Parliament on the grounds that nothing could be achieved by a Commons dehate.

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Japanese cars

while the Japanese share remained static and BL's declined.

However, an attempt at the Tokyo talks by BL and Talbot, the two makers faring worst in the UK, to get the Japaoese share next year cut from 11 per cent to under 10 per cent received no support from others in the SMMT delegatioo.

The SMMT forecasts a market this year of 1.5m cars, of which 1.14m have been sold up to the end of August. In order to sink back under 11 per ceot, the eight Japanese manufacturers selling in the UK must share slightly under 20,000 sales in the year's last four months.

Datsun UK, the Japanese market leader with nearly 7 per cent this year, said last night that the Japanese concerns would comply, hut that their dealers faced an unjustly rough time.

Mr. Brian Groves, Datsun UK's marketing director, said many of its 400 dealers "are goiog to have to start selling a lot of used cars."

He criticised the new agreemeot as "unfair to our customers, and to our dealers and employees who have been messed around for the past five years, uoable to develop as they should, while every other importer under the sun has beeo allowed in to clean up the market."

Sir Bernard Scott, leader of the SMMT team in Tokyo, had said that 1981 was likely to be an extremely critical year for the UK market, with registrations expected to fall 8 per cent further on this year.

Sir Bernard said he sympathised with Japaoese irritation at the growing share of Continental imports. But EEC car shipments to the UK had to be regarded as a special case, if only because of the "huge British content" in cars imported from other EEC countries.

THE LEX COLUMN

Babcock hit by U.S. troubles

At least Babcock International has maintained its interim dividend which may be why the shares rose 6p to 96p yesterday. But io most other respects, its statement makes grim reading. Profits are down from £15.5m to £6.1m pre-tax, interest costs are ooly covered 1.6 times, and the divideod is not covered by historic cost earniogs.

The maio crunch has come in North America, where profits have fallen by maybe £5m or £6m pre-tax, and the group is oot making enough to cover its finance costs. Unsettlingly enough, one of the worst hit compaoies has been the Keeler Corporation, which Babcock bought last year for $75m and which is oow just about breaking even before allowing for the finance costs of the acquisition.

Elsewhere, the contracting side is losing money following a sharp fall in the workload (notably at *Woodall-Duckham* and on water treatment). This has been offset by an improvement in power engineering. But Babcock has also had to cope with losses in its German contracting company, and much higher finance costs.

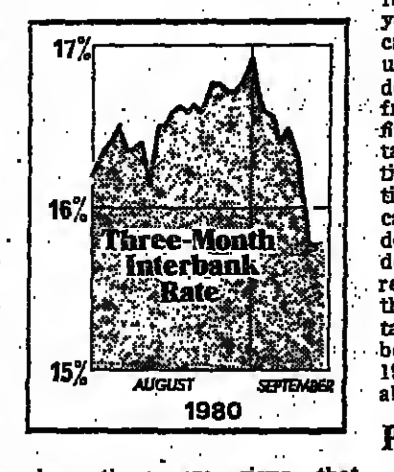
The current half performance should be rather better, partly for seasonal reasons and because of special costs last year. That will make the income gearing look less daunting, and capital gearing is unlikely to rise much this year. But overall profits could still be down from £32m to under £20m pre-tax, and the scope for recovery next year seems limited. After a long period of expansion, Babcock—aloog with so many other companies—is now talking about cutting out peripheral activities and concentrating on its main stream businesses.

MLR

Enthusiasm over the Treasury's statement on Tuesday boiled over yesterday in tha gilt-edged market, though the underlying tone remains good, and period rates in the money market are now significantly below the level of a couple of weeks ago. The City is now expecting any change in Minimum Lending Rate today, hut there is a conviction that the authorities will react to any passably convincing opportunity offered by the next set of banking figures. The more cynical market men have not failed to notice that the statistics relating to the September banking month will become available to the government just in time for the Tory party conference.

The task of the authorities is now to keep spirits high in the gilt-edged market at a time when there are signs that foreigners are taking the opportunity to pull out now that they have recovered most of their paper losses suffered in August. Inevitably they are worried about the level of sterling if the Government should embark on a serious move towards lower money rates. So although a new tap stock is likely to be launched tomorrow it could feature calls spread well forward into October and November.

Index fell 2.1 to 501.8



As for the equity market, it has continued to creep ahead through the ups and downs of monetary fortunes in the past couple of months. Like gilts, equities suffered a late setback yesterday, bnt this came mostly after hours and the All-Share Index reached a new all-time high of 295.48; it is now showing a gain of 29 per cent on the year so far.

Thomas Tilling

After last year's £79.5m-worth of acquisitions the stock market was expecting great things from Thomas Tilling. So the rise in pre-tax profits of a mere 4½ per cent to £30.1m at the halfway stage came as something of a shock and in spite of the ½p increase in the interim dividend the shares were marked down 16p yesterday to 160p.

In fact, the U.S. acquisitions have contributed nothing at all oo balance after financing charges due to a large, albeit expected, loss in the quarry company Tilcon-Warren. Meanwhile, the recession in the UK has hit trading in several divisions and the rise of 11.2 per cent in turnover in established businesses has been well below the rate of inflation. Profits are down in the publishing business, furniture, construction materials, agricultural engineering and industrial equipment distribution.

The group has spent a further £30m cash so far this year on acquisitions, while capital expenditure may move up from £69m to £80m. So net debt is unlikely to come down from the New Year level of two-fifths of capital employed. Certainly the group seems particularly keen on conserving cash at the moment, with heavy destocking and a delayed dividend payment designed to reduce the 1980 tax bill. With the UK squeeze continuing, pre-tax profits for the full year may be no better than the £81.1m in 1979. The prospective p/e is about 10½, fully-taxed.

P&O

P & O's interim statement confirms the forecast which it made in May of a modest profits increase this year. But the market had been hoping for more, and the shares fell 14p to 122p yesterday. The group has not been able to make much out of a firmer trend in hulk rates earlier this year, because of its limited exposure to the spot market, and it has not had the benefit of the big turnround in Nigeria which had such a big impact on Ocean's figures. Indeed its hopes for an improvement in 1980—following a 6 per cent decline to £12.9m pre-tax after six months—are pinned mainly on its non-shipping interests.

Thus its oil trading activities have been extremely profitable, and the energy sector could well double last year's operating surplus of £8.5m. The construction side is doing surprisingly well, and although profits are down so far due to the timing of contract completions, an increase for the year is in view. There should also be a bit more from property and banking.

However there has not been much progress on cargo liners and bulk shipping, and the cross channel ferry business will be badly hit in the current half by the French fishing dispute and by price competition.

The short term outlook—and the scope for an incerase in the final dividend — rests heavily on the trend in interest rates. Disposals have reduced borrowings at the half-way stage to £292m, against £413m a year earlier, and operating cash flow should more than cover this year's capital requirements. Yet interest costs this year may only he marginally lower tan 1979's £41.8m. The historic dividend yeild of 8.4 per cent is looking for better things in 1981.

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